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Cuba

Article Decries 'Xenophobia' of Proposition 187

PA0111164494 Havana PRENSA LATINA in Spanish 1637 GMT 31 Oct 94

[Article by Ezequiel Perez Martin: "Electoral Efforts Versus the Right to Live"]

[FBIS Translated Text] No one would think of denying a country its right to dictate its immigration policy or to take measures to secure its borders. That is valid.

It is, however, a very different matter to threaten the survival of millions of people for mere campaign purposes. That is invalid.

But that is exactly what is happening in the U.S. state of California, where the possibility of a social explosion increases by the minute due to attempts to implement an anti-immigrant law, sponsored by Governor Pete Wilson, who many people say is "racist, xenophobic, and fascist."

Wilson, a Republican, proclaims to the winds the advisability—he calls it necessity—of taking measures to eliminate health and education services for the more than two million undocumented immigrants in that populous U.S. state. This, he says, will discourage illegal immigration, especially from neighboring Mexico.

The "magic numbers" in this dangerous social-electoral game are two: 187, the number of the proposition that will be subject to a referendum in California; and 8 (November), the date of the U.S. congressional elections. In these elections, Wilson is vying to remain at the helm of the state government.

A veiled but dangerous growth of xenophobia is beginning to spread across the United States—something incredible in a country that proclaims itself a champion of human rights—and is advancing into the consciousness of Californians, most of whom are currently inclined to support Wilson in his anti-immigration efforts.

Although the percentage of Proposition 187 supporters has decreased in the past few days, the bill's virtual approval has already prompted several demonstrations by undocumented immigrants and a state of alert in the California National Guard command.

We must consider that half of the estimated 25 million Latin American immigrants living in the United States are in California, as are 50 percent of the nearly 4 million undocumented immigrants in U.S. territory.

In addition to denying school and health services to its potential targets, Proposition 187 even urges public employees to become informers so illegal immigrants can be located and deported.

Many voices have already been raised against the supporters of this racist proposition, even within the U.S. union itself, including prominent politicians such as President Bill Clinton and Justice Secretary (minister) Janet Reno [title as received].

Housing and Urban Development Secretary Henry Cisneros has confirmed that the U.S. Government is opposed to the proposition.

(Proposition) 187 is a bad idea that we hope will be rejected. If the proposition is approved, however, it will be sent to the courts, where it will surely be declared unconstitutional, he declared.

Last Thursday [27 October], Mrs. Reno called it a rash measure.

It is senseless to turn our school teachers and nurses into border control officials. It is absurd to expel children from school or deny them vaccines, Reno stated.

Sources at the Attorney General's Office reported last night that a significant part of Proposition 187 is similar to a law approved in Texas which was struck down by the U.S. Supreme Court.

They refused to say, however, if this office would object to the initiative if the Supreme Court approves it.

Meanwhile, U.S. Ambassador to Mexico James Jones has called the measure unconstitutional, and the Mexican Episcopal Conference condemned the proposition, saying that "in no way can we accept attitudes or laws that are contrary to the people's dignity."

Mexico has already protested to U.S. diplomats about the increasing anti-immigration climate in California. A signed note was sent to Washington through the Mexican Foreign Secretariat charging that violence is being promoted against the undocumented immigrants and that this "negatively affects bilateral ties."

Current poll results still favor supporters of this human rights violation. However, there is still time for Californians to become truly conscious of the problem. They, perhaps, have forgotten—or choose to forget—that they are standing on land that was originally Mexican.

Lage Highlights Benefits of Foreign Investment

FL0211030494 Havana Radio Rebelde Network in Spanish 1800 GMT 31 Oct 94

[From the "National Radio News"]

[FBIS Translated Text] Carlos Lage, vice president of the Council of Ministers, held a news conference with Cuban and foreign reporters at the end of the first day of Havana's 12th International Fair. He stated that the Cuba's economic strategy lies in the socialist system and went on to discuss several ideas suggested during the inauguration of the fair. This year, 270 Cuban business and 795 business from 46 countries are represented at the fair. Radio Rebelde reporter Mariela Diaz participated in the news conference.

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[Begin recording] [Diaz] I would like to know if there are going to be changes in the law regulating foreign investment in the local market and whether the profits of those businesses already in operation will be invested to improve the results of some industries which have had a low production of goods.

[Lage] Your question on opening the doors to foreign businesses is a good one. Our social system, everything we achieve, this opening we are implementing, and the investment that we are promoting is for the benefit of the people. We do not seek to make certain sectors of the population more powerful, or the prosperity of businesses and businessmen. The goal is the people's benefit, yet we are aware that some sectors will become somewhat wealthy as a result, and this is a reality.

The opening of the farmers markets will increase the prosperity of a sector, however, that is not the goal. The goal is to benefit everyone. When we invest in the telephone business, we are not seeking to benefit a Cuban business, but to benefit the population. We have concluded that foreign investment could mean the development of communications which would benefit us all.

[Diaz] Lage was questioned about several topics regarding changes in the law regulating foreign investment, and the farmers markets. He also referred to the restoration of the Cuban peso's value.

[Lage] We believe it is a positive result following the measures that we have adopted. However, we should wait before saying that the results are definite, because we need to maintain and increase the supply of products so that people can spend pesos. We also need to increase supplies for the sector that has those pesos. There are many factors that will complement, in the near future, the measures already adopted, to favorably affect the nation's finances in a permanent and enduring way.

[Diaz] The visit by U.S. businessmen to Cuba was also discussed. Regarding this topic, Lage said that this demonstrates that there are people within the United States who see no reason to bar trade with Cuba. Regarding relations between Cuba and the United States, Lage stated that so far the main topic has not been addressed, because immigration was the only issue covered. However, he added, Cuba has been helpful, and the talks have been positive because they prove that the only way to solve differences is to establish a dialogue. [end recording]

Russia's Kolesnikov Comments on Visit

FL0211031694 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 2 Nov 94

[From the "NTV" newscast]

[FBIS Translated Text] Colonel General Mikhail Kolesnikov, chief of the Russian Armed Forces general staff, gave an exclusive interview to NTV.

[Begin recording] [Unidentified Correspondent] I would like to know the objectives of your visit to Cuba?

[Kolesnikov, in Russian with passage by passage translation into Spanish] This trip to Cuba was planned almost a year ago. I can frankly say that I am very happy to finally be here. This visit has not only been a courtesy visit of the chief of the Russian Armed Forces general staff, but an opportunity to see dear friends again. Even though I am in still Cuba we can already see the results, not just preliminary results, but definite results, of the work that our delegation has done here. These results are marvelous. A few words on my personal impressions on Cuba and about the Cuban people: This is magnificent. The island's nature and people come together in harmony.

[Unidentified correspondent] Thank you. [end recording]

Fidel Castro Meets Spanish Regional Delegation

FL0111232194 Havana Radio Rebelde Network in Spanish 1800 GMT 1 Nov 94

[From the "National Radio News"]

[FBIS Translated Text] Cuban President Fidel Castro met the delegation headed by Antonio Trevin Lomban, president of the Principality of Asturias [Spain], to discuss issues of mutual interest. Jose Ramon Fernandez, vice president of the Council of Ministers, and Rosario Navas, Cuban ambassador to Spain, were present at the meeting in the Palace of the Revolution.

Since his arrival on 30 October, Trevin Lomban, who is conducting an official visit to Cuba, has met with several Cuban leaders. Today, the Asturian delegation will inaugurate the new facilities of the Asturian Center. They will tour a rural school and the Carlos J. Finlay Institute, and will visit the Asturian Pantheon at the Colon Cemetery. Later today, Trevin Lomban will hold a news conference with Cuban and foreign reporters and will depart tomorrow to Venezuela as part of a trip that will take him and his delegation to Chile and Argentina.

Havana Radio Reports Escape From Haitian Prison

FL0111130294 Havana Radio Rebelde Network in Spanish 0000 GMT 1 Nov 94

[From the "Exclusive" program]

[FBIS Translated Text] Well-informed sources in Port-au-Prince have reported that on 30 October nearly 150 prisoners escaped from the nation's largest penitentiary, which is located in the Haitian capital.

Troop Movements, Combat Overflights Announced

PA0111171594 Havana PRENSA LATINA in Spanish 1627 GMT 1 Nov 94

[FBIS Translated Text] Havana, 1 Nov (PL)—The Cuban Ministry of the Revolutionary Armed Forces

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(Minfar) has announced that there will be unusual troops movements and combat aviation overflights as part of a military exercise with antiaircraft defenses scheduled for today.

Minfar issued an announcement note explaining that the military exercise will take place sometime between 1500 and 2100 (1900 and 0100 GMT) today.

The exercise, according to the note, will include troop movement and combat aviation overflights over Havana, other major cities, and industrial and military sites.

ANPP Commission To Hold Hearings on Migration

FL0211011794 Havana Radio Reloj Network in Spanish 1506 GMT 1 Nov 94

[FBIS Translated Text] As part of the new work style of the National Assembly of the People's Government [ANPP] commissions, this afternoon a public hearing will be held to discuss migration issues. Members of the ANPP's Judicial and Constitutional Affairs Commission and the International Affairs Commission will discuss views and opinions on this issue at the Convention Center.

Today, also marks the beginning of the current national progress report process slated to conclude on 10 December. This gives neighbors and delegates an opportunity to discuss the most serious problems affecting the community. The delegates have taken steps to ensure that these meetings will be free of the routine and drudgery which characterized them for a long time.

Minister Highlights Importance of Farmers Markets

FL0211021694 Havana Radio Rebelde Network in Spanish 1502 GMT 1 Nov 94

[FBIS Translated Text] Agriculture Minister Alfredo Jordan announced that the farmers markets have sold over 120 million pesos, since their establishment one month ago. He added that in the existing 160 markets, 268,000 quintals of products have been sold, which demonstrates that it is viable option for the people while stimulating the use of the land. Jordan stressed that the presence of credit and service cooperatives and individual farmers continues to grow. He went on to say that farmers markets nationwide are significantly contributing to the reappearance of products in high demand and help counter the effect of the black market.

'Serious Electrical Problem' Affecting Eastern Provinces

FL0211015594 Havana Radio Rebelde Network in Spanish 0000 GMT 1 Nov 94

[Report by correspondent Carlos Sanabria Marrero in Santiago de Cuba Province; from the "Exclusive" program—live or recorded]

[FBIS Translated Text] A power outage has been affecting the eastern portion of Cuba since earlier this afternoon. I inquired at the electrical enterprise and was informed that the Antonio Guiteras power plant, in Matanzas—Cuba's most efficient plant—is currently off line affecting Santiago de Cuba Province. The plant has a generating capacity of 330 megawatts, during peak hours. The breakdown was caused by a leak in one of the plant's boilers. Workers will take advantage of the breakdown to repair the leak and do other maintenance work on the plant. Authorities believe this situation, the serious electrical problem, will continue until 3 November.

Roundup of Economic Developments

PA0111214094

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Cuba monitored through 1 November.

While inaugurating a bilateral meeting between Cuban and Brazilian businessmen, Roberto Rivas, director of the Ministry of Foreign Investment and Economic Cooperation, reported that Cuba and Brazil are negotiating in Havana an agreement for the mutual protection of investments. The Brazilian mission, composed of state enterprise representatives and private businessmen, is interested in links with Cuba's agroindustrial, telecommunications, mining, and electronics sectors. (Havana Radio Havana Cuba in Spanish 0000 GMT 1 Nov 94)

Politburo Member Speaks to Mill Workers

FL0211003294 Havana Radio Rebelde Network in Spanish 0000 GMT 1 Nov 94

[Report by correspondent Diosdado Maso in Pinar del Rio Province; from the "Exclusive" program—live or recorded]

[FBIS Translated Text] I have spent the last 72 hours accompanying Politburo member Pedro Ross Leal, secretary general of the Cuban Workers Federation, on a tour of sugarcane and non-sugarcane Basic Cooperative Production Units in Pinar del Rio, where he has been chairing economic efficiency assemblies. The Manuel San Gili Mill's economic efficiency assembly, in La Palma Municipality, was noteworthy because despite all the warnings issued regarding the harvest, and worker's welfare campaigns, this mill is a bad example because practically nothing has been done. Pedro Ross met with them for over five hours in an effort to put their collective and individual wisdom back on track and improve the situation at the mill.

[Begin Ross recording] Food comes from the land. If we toil the land we should have food. I believe that this problem, those [words indistinct] so there is no need to go out and get plantains, or cassaba. Why don't you have beans, rice, or other tubers? Why is there no vegetable garden here? Why aren't there enough vegetables? Why

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isn't there an organic garden? Why haven't you stockpiled beans in order to be able to serve rice and beans? A plate of plain rice is not the same! A plate of plain cassaba is not the same as a plate of cassaba and beans. Why is there not [words indistinct]? These are the things we need to discuss here. [end recording]

The efficiency assembly concluded at this mill with an accord to build 20 housing units in the next 6 months; to establish a self-sufficiency food program worthy of the workers of this mill; and to meet again with Pedro Ross on 21 January, before the beginning of the harvest. The workers also pledged to contribute to social security funds.

Coffee Production Declines in Granma Province

FL0211023194 Havana Radio Rebelde Network in Spanish 1800 GMT 31 Oct 94

[From the "National Radio News"]

[FBIS Translated Text] Coffee production, a source of hard currency and the main crop of the Turquino Plan region, continues to decline in Granma Province. This became evident during the debates of the ninth special session of the seventh legislature of the People's Government Provincial Assembly held on 30 October in Bayamo. Jose Ramon Balaguer, Politburo delegate to Granma Province, and Ernesto Suarez, secretary of the National Assembly of the People's Government, were in attendance.

The assembly agreed to conduct studies aimed at reestablishing lost areas, because, to date, Granma was reporting the existence of 1,800 caballerias of coffee but, according to a recent survey, 30 percent of that area was not being cultivated. Technicians and specialists insisted that low productivity was the result of insufficient efforts in tending the crops since most of the resources are allocated to the establishment of new areas.

Eugenio Zamora, coordinator of the Turquino Plan in Granma, stated that indiscipline and the violation of technical standards are widespread. Pedro Romero, deputy representative of the Agriculture Ministry in Granma, stressed that the economic goals of the Turquino Plan for each mountain community have been put aside. Other experts pointed out the failure in implementing the experiences of scientists from the Farming Sciences Higher Institute and the Jorge Dimitrov Farming Research Institute, both located in Bayamo Municipality.

Colonel Manuel Carvajal, head of the Youth Labor Army [EJT] division in Granma, said in Bayamo that the poor results attained by the EJT are the result of the incompetence of certain cadres and stressed the importance of touring the coffee plantations to verify the information.

Granma is among the top coffee producing provinces in Cuba. In 1967, the province harvested a record production of 171,000 quintals of coffee. This year it expects to harvest only 58,000 quintals.

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Helicopter Crashes Carrying U.S. Tourists

PA0211131294 Madrid EFE in Spanish 0555 GMT 2 Nov 94

[FBIS Translated Text] Mexico City, 2 Nov (EFE)—A helicopter carrying U.S. tourists crashed into the sea off the coast of the Yucatan Peninsula yesterday, killing at least 11 people. It is believed that the other three occupants of the aircraft also were killed.

The Bell 212 helicopter, carrying 13 tourists and the pilot, crashed at 1430 (2030 GMT) Tuesday three miles off Cozumel Island off the coast of the Yucatan Peninsula in eastern Mexico. According to Cozumel aeronautical sources, the helicopter was flying from the Chichen Itza Mayan ruins on the Yucatan Peninsula bound for Cozumel Island in the Caribbean, but for yet unknown reasons the aircraft plunged into the sea.

Rescue teams recovered the bodies of 11 people overnight, but the search had to be suspended because of poor visibility. It is believed there were no survivors.

The aircraft, which belonged to the "Aeropegaso" company, had picked up tourists in Cozumel where they had arrived aboard the Costa Romantica cruise ship. Official sources have identified the occupants of the aircraft as Manuel Gonzalez (pilot) and U.S. citizens Gary and Geraldine Johnson, Roy and Linda Pollack, Robert and Nancy Daugherty, Gordon and Barbara Emswiler, Vincent and Erbilia Ricci, and Mark Simmons.

Under Secretary Interviewed on Proposition 187

PA0111213394 Mexico City LA JORNADA in Spanish 30 Oct 94 pp 1, 12

[Part I of a report on an interview with Andres Rozental, under secretary of foreign relations, by David Aponte in the Tlatelolco Tower in Mexico City; date not given—all quotation marks as published]

[FBIS Translated Text] The California Republicans who endorse Proposition 187 are dealing with the illegal alien issue with "hypocrisy" and "inconsistency." The politicians and many Californians who will vote in favor of the proposition have hired or know someone who has hired undocumented Mexicans, Andres Rozental, foreign relations under secretary, has stated. As if that were not enough, California Governor Pete Wilson has responded "arrogantly and indelicately" to President Carlos Salinas de Gortari's rejection of that measure, which would affect Mexicans living in that state, he asserted.

Interviewed in his office on the 17th floor of the Tlatelolco Tower, the official responsible for bilateral relations with the United States explained that the "dispute" between the Mexican Government and the State of California involves only Proposition 187, which is intended to deprive undocumented workers of social, medical, and educational services.

"We do not want nor are we interested in harming our general relationship" with the U.S. Federal Government, despite the fact that Washington has not agreed that the immigration problem has an economic backdrop, he argued.

During the conversation, the envoy analyzed the controversial proposition, drafted by two former officials of the Immigration and Naturalization Service (INS), a few days prior to the referendum.

"Thursday was an important day for us because new poll results were announced in California which showed an encouraging trend. According to the polls, the proposition is rapidly losing support. The polls indicate 51 or 53 percent of the population supports the proposition in the wake of growing opposition. This indicates that if the trend continues from now to 8 November, there is a very good chance that the initiative will not pass. That would give us great pleasure."

[Aponte] People say the more that is known about the proposition, the greater the opposition.

[Rozental] That has always been our theory, and it is why the Mexican Government, President Salinas, and Secretary Tello have from the very outset waged an awareness campaign about the proposition and what it does and does not do.

"Opponents of the proposition have done the same thing in the United States, both in California and elsewhere in the nation, because everyone recognizes this initiative will not resolve the immigration issue and will have a series of negative financial consequences for California. It has negative consequences for its relationship with Mexico, will result in the withdrawal of federal subsidies, and will entail a number of costs through its implementation in the (juridical) court system.

"In the end, the cost will be far greater than what they are allegedly going to save with the implementation of Proposition 187."

[Aponte] What measures has the Mexican Government taken to counter Proposition 187?

[Rozental] Primarily it has undertaken this task of raising awareness. The idea is that it was very important, in the first place, to express our opposition, our rejection of this initiative, because it adversely affects the human, educational, and health rights of our fellow citizens in the United States. Our responsibility was to reject the arguments of those who, given this position adopted by the Mexican Government, accused us of meddling in the internal affairs of others. We said clearly that one of the main responsibilities of any government is to protect the interests of its citizens outside their country, just like the United States and many other nations do.

"Our task, then, was to coordinate a media campaign in California to dignify the image of Mexico and Mexicans in the days and weeks preceding the election to make

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California voters understand two things: first, the importance of Mexico and Mexicans for their economy, and second, the damage they will do with this initiative to their future relationship with Mexico."

"I can state categorically that we have not organized any sort of official obstacle. What we have seen are totally spontaneous expressions of rejection by civilian society on the border and in other areas. They have received support from business organizations and intellectuals. The government understands that this is a response to the situation in California, but it is not an organized campaign by the Mexican Government.

"What we are doing is somewhat less visible. We are getting organized so we can respond to the enormous number of demands, questions, and uncertainties by our people living in the United States on the possible consequences of Proposition 187.

"That is, we are setting up the mechanisms we will require and that we now require in California to face this and protect our citizens. This is what is being done at the Foreign Ministry level.

"We also recorded a message that we will broadcast in Mexico to explain to the people what Proposition 187 is and why the Mexican Government opposes it."

[Aponte] What sort of repercussions has the initiative produced, and at what level are relations between Mexico and California Governor Pete Wilson? Have California officials made any accusations in the course of the debate?

[Rozental] The only thing I have read in the U.S. press is that when Wilson was asked what he thought of a statement made by President Salinas de Gortari, he responded arrogantly and indelicately. The Foreign Ministry has not had any other contact with the Mr. Wilson's government on this issue, which is of a federal nature.

"We understand that this is a California issue. Our quarrel is with California, and only with California, and only as regards this proposal. We do not want nor do we have any interest in harming our general relations with California or with the United States. Fortunately, this has been limited to California so far and has not spread to other parts of the United States.

"The defeat of Proposition 187—which I expect—will ensure that it will not spread to other parts of the United States. If that should happen, we will maintain a very careful dialogue with our friends in other states, neighboring states as well as in other areas where there are big communities of immigrants to make sure it is not believed this type of thing can be applied in other parts of that nation.

"We have had very good responses from governors in other states, such as Arizona, Washington, and New Jersey, and from New York City, places where they oppose Proposition 187 and understand the benefits of migration.

"There are large concentrations of Mexican immigrants and immigrants of other nationalities in Texas, Florida, and Illinois, but there have not been any expressions similar to what is happening in California. Besides, President Clinton himself has totally rejected the measure on behalf of the federal government.

"In this regard, our strategy was to ask the U.S. Government to clearly object to Proposition 187. All the important parties have already done so.

"In addition, we have a series of other opponents who have joined together and who represent a very broad coalition of viewpoints: There are Republicans, Democrats, Catholics, Jews, Chinese, and Koreans from of all points on the spectrum, including ultraconservatives and liberals. There is growing recognition that this is an ill-fated measure that is contrary to the American spirit."

[Aponte] Given the Washington Administration's rejection of the initiative, does there appear to be any danger of repercussions on a federal level with regard to Mexican-U.S. relations?

[Rozental] On the contrary, there is a good dialogue under way on the issue at all levels. The U.S. Government opposes the initiative so much that on the electoral ballot to vote for the proposal will appear, by law, an explanation of the possible consequences. One of these items is a letter that the Education Department sent to the California Government indicating that the approval of Proposition 187 could mean the loss of up to $15 billion in federal subsidies.

"Fortunately, Mr. Panetta, White House chief of staff, indicated that the Clinton administration would act to eliminate this subsidy, thus the cost for California would be very high."

[Aponte] Does the Mexican Government believe Proposition 187 will be rejected?

[Rozental] We do not have our own means of carrying out a survey. I do see a clear trend suggesting that it is quickly and definitely loosing ground.

"There are other things that have contributed. The governor himself, Wilson, proposed issuing an identification card. This idea was not at all well received. It was rejected because people perceived it to be a government measure to control the population and to restrict civil rights.

"There have been reports that Mexicans and other immigrants living in the United States with no papers violate the law, which is not surprising. People in this debate in California always forget the fact that illegal aliens violate the law because there is someone to hire them, someone who specifically goes out to look for them and to employ them.

"There are even cases where they have been trucked in especially for the job. These people do not cross over the

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border spontaneously. They cross because there is someone who wants to employ them and encourages them to cross.

"As it so happens, one prominent supporter of Proposition 187, (Michael Huffington), a (Republican) candidate for the Senate, had or still has an illegal alien from Central America as a domestic servant, and he knew it. This shows the hypocrisy with which the issue is handled in the United States, particularly in California.

"At the beginning of the current administration, President Clinton's nominee for the Justice Department had to bow out because she had the same problem. At that time, it was estimated that over 1 million families in the United States, particularly in the border regions, employed people whose immigration papers were not in order or who did not pay income tax, such as maids, cooks, nannies, or gardeners.

"Hence, it becomes obvious that the problem has an economic side. We acknowledge our part of the problem, which is that unfortunately we are still unable to provide all Mexicans with the standard of living and the kind of jobs we would like. However, they have not been willing to accept their economic part, which is that there is an enormous number of jobs U.S. citizens will not take and for which they are openly and often illegally employing foreigners."

[Aponte] Are California politicians two-faced?

[Rozental] Many people, not just politicians, are two-faced. I am sure there are many people who are ready to vote yes to Proposition 187 on 8 November who have or have previously had an illegal alien in their employ, or know someone who has.

[Aponte] What legal resources could the Mexican Government use if Proposition 187 is approved?

[Rozental] More than legal resources, we are planning to work closely with people inside the United States who are going to take this issue to court. Once the proposition is approved—if it is approved—legal action will be filed before the courts, challenging its constitutional and legal grounds. Mexico, as the offended party, given that Mexicans are the ones directly involved, will accompany this legal action. If necessary, this action could include presenting the Mexican Government's stand on the issue before the court and the U.S. judicial system.

Part 2 of Interview

PA0111222394 Mexico City LA JORNADA in Spanish 31 Oct 94 p 3

[Part II of a report on an interview with Andres Rozental, under secretary of foreign relations, by David Aponte in Mexico City; date not given]

[FBIS Translated Text] The U.S. Government has proposed to the Mexican authorities the nationalization of co-nationals who have lived "for a long time" in the United States as a means of accounting for and legitimizing illegal immigrants, the ambassador informed Foreign Relations Under Secretary Andres Rozental.

Under the initiative, Mexicans could legally take their immediate family members to U.S. territory, he indicated.

Nevertheless, the Mexican Government turned down the White House proposal. The Mexican Government is not supposed to encourage its citizens to obtain other nationalities, Rozental noted.

During the interview, he noted that in various bilateral talks there is not one common position between the United States and Mexico on the best way to legalize the flow of migrants or how to handle this phenomena in the near term.

Up until now, the delegations of the Mexican Foreign Relations and Government Secretariats and the U.S. State and Justice Departments have only made progress in the creation of a card that will facilitate border crossings, Rozental indicated.

INS authorities will issue this card for residents along the border, and the relevant migration delegates will establish uniform criteria for the passing from one side of the border to the other, he explained.

At the same time, the bilateral group on the migration issue will review the possibility for businessmen and people who are not "suspicious" of becoming immigrants to facilitate border crossings, he continued.

"For any Mexican to go to the United States is still a long and drawn out process. The Mexicans have to line up for three days at the U.S. Embassy, stand in line, and answer a series of questions, some of which are outrageous. They have never thought about restructuring this issue. Nevertheless, we are working on this," he stated.

During the conversation on the 17th floor of the Foreign Relations Secretariat, Rozental said the Mexican Government considers the migration issue to be a touchy one because the United States has the right to establish it own policies. He said, "We can only propose some solutions and present some arguments on the characteristics and origin of the phenomena."

For example, the Mexican Government has presented the possibility of establishing a special visa for border residents. This would be one way to handle this phenomena, he explained.

"We have reiterated to the United States, and it has also told us publicly, that it wants to reduce the number of illegal aliens and to increase the number of legal aliens.

"Nevertheless, up until now there are different points of view on this. Like I said, on the U.S. side they do not want to admit, or they have not officially admitted, the economic factor. If they did, we would reach an agreement right away, because then they would admit that

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there is a labor demand, and we could fill this labor demand in an orderly fashion.

"Still, as of today, they have not admitted this. They have said that this demand exists, but because in the United States unemployment is very high, and particularly in states such as California, U.S. citizens should get these jobs. But this does not happen. They do not take these jobs.

"Also, we differ on how to legitimize the migrants. They believe the best way to legalize migration is through the nationalization of the Mexicans who are already in the Unites States—people who have been residents for a long time with the right to become U.S. citizens. This would allow them to legally take their families immediately to the United States. This would be one way to legalize them.

"It is obvious that the Mexican Government cannot encourage its citizens to become citizens of another country. We do not agree on this point either. Nevertheless, we will continue to engage in the dialogue. The incoming government will be inaugurated in Mexico on 1 December. Through the bilateral study we have agreed to carry out, it will have the ability to continue insisting on this issue and to seek ways to increase the chances and opportunities for those who wish to go the United States to work, shop, or visit."

Rozental, who is in charge of bilateral relations with the United States, added that in the dialogue with Washington some progress has been made, but the United States still has to acknowledge the economic and labor dimensions of the problem.

"They must understand that we complement one another not only in the aspects outlined highlighted in NAFTA, but also in labor markets.

"By working in the same way they bring their assembly plants here to take advantage of labor that is cheaper than in the United States, they should also understand that we have the possibility of supplying some of the things they need," Rozental concluded.

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El Salvador

Reforms Begin in Counternarcotics Department

PA0111222494 San Salvador Canal Doce Television in Spanish 0100 GMT 1 Nov 94

[Report by Gandhi Montoya; from the "Up-to-Date" newscast]

[FBIS Translated Text] The Prosecutor General's Office is determined to improve its image, which was tarnished by the surprise escape of a group of alleged drug traffickers.

Prosecutor General Romeo Melara Granillo today implemented in-depth reforms to the Counternarcotics Department of the Prosecutor General's Office, which include removing all special prosecutors assigned to this department.

The Prosecutor General's Office is determined to correct the mistake that allowed four drug traffickers to go free last week. The first specific decision was to remove the two special prosecutors responsible for the case due to their failure to file an appeal motion in light of the dismissal decreed in the case involving the drug traffickers.

In addition, this Monday [31 October], the prosecutor general announced changes in the leadership of the institution's Counternarcotics Department because the belief prevails that previous Counternarcotics Prosecutor (Sandra Chorro) made a mistake.

[Begin Melara recording] The mistake, which is how we decided to classify the situation, consisted of not having procured updated information, through whatever means possible, with respect to the resolution issued to the prosecutor responsible for the case.

[Unidentified Reporter] Is that the reason for the changes?

[Melara] Indeed, that is the reason. [end recording]

It has been learned that former Counternarcotics Prosecutor (Chorro) was relocated to the Penal Department and has been replaced by Floreida del Carmen Rivas, who immediately announced that she intends to make changes in the department.

[Begin Rivas recording, in progress] ...new personnel [words indistinct]. In addition, all special prosecutors will be relocated, and we intend to appoint new personnel who are not only qualified and experienced but whose track records include integrity. [end recording]

The Counternarcotics Department has nine special prosecutors, all of whom will be relocated and replaced by new personnel who are lawyers.

Prosecutor General Melara hopes that the decision to restructure the Counternarcotics Department will [words indistinct] a situation similar to the one that led to the removal of two special prosecutors last week. According to the prosecutor general, when he was sworn into office, one of his first orders to the special prosecutors was for them to always file motions for appeal, especially in drug trafficking cases.

Guatemala

De Leon Downplays Possibility of U.S. Sanctions

PA0111155994 Guatemala City SIGLO VEINTIUNO in Spanish 29 Oct 94 p 4

[FBIS Translated Text] President Ramiro de Leon Carpio and Foreign Minister Marithza Ruiz de Vielman yesterday played down the possibility of U.S. sanctions against Guatemala as a result of the alleged disappearance of guerrilla Efrain Bamaca, alias Commander Everardo.

The president said he hopes there will be no such sanctions because his government is working to solve the case, adding that the institutions in charge of the case have been ordered to conduct appropriate investigations. We hope these trade sanctions will not be established, because the economic effects would be grave and disastrous for Guatemala, he said.

The president denied the United States exerted pressure to form an investigative commission. Nevertheless, the case might be taken to the Minugua [UN Mission for Guatemala], although this will depend on the circumstances.

The foreign minister, meanwhile, said the international community should remain objective when evaluating the case. She said trade sanctions will not be imposed on Guatemala. She also said that the investigations will be directed by Cesar Alvarez Guadamuz, ambassador to the OAS and an expert on human rights, who will conduct a trustworthy probe.

Ruiz de Vielman said there is no reason to give such great importance to this investigation to the point of speculating about economic sanctions. She said the case is being investigated as any other case of this type would be. She added that the international community should objectively analyze the situation and value the efforts the government is making in this regard.

Salvadoran President Offers To Host URNG Talks

PA0111122094 Guatemala City SIGLO VEINTIUNO in Spanish 29 Oct 94 p 6

[Report by Cesar Gaytan M.]

[FBIS Translated Text] Salvadoran President Armando Calderon Sol proposed yesterday to the Guatemalan Government and the URNG [Guatemalan National Revolutionary Unity] that they meet in his country to

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continue their peace negotiations, and he urged them to sign an agreement before the end of the year.

Calderon Sol said his country is a place of "peace," and that is why he is offering it to the URNG and Ramiro De Leon Carpio's government to allow "the peace process to continue in a Central American country."

The Salvadoran president expressed his desire for the Guatemalan armed conflict to end, as has occurred in his country, so "the Central American family can start fighting poverty and injustice."

Calderon Sol opposes the recent recommendations made by former Salvadoran President Alfredo Cristiani, who has proposed the elimination of "set dates" for the signing of pending agreements on the peace negotiations agenda.

"We must pressure for peace to be signed as soon as possible," Calderon Sol said. He also described the internal armed conflict as "aberrant and stupid."

The Salvadoran president added "his government is willing to cooperate in all that is necessary to get Guatemala to achieve this important agreement." Calderon Sol's statements were heard by President Ramiro De Leon Carpio, who was accompanying Calderon Sol during the interview.

"Peace in Guatemala should be signed in November, not in December," said the top leader of the Salvadoran Government. Calderon Sol left the country yesterday, after attending the swearing-in of the new Board of Directors of the Central American Parliament (Parlacen).

Nicaragua

FSLN Directorate Member Criticizes Members

PA0111035694 Managua BARRICADA in Spanish 30 Oct 94 p 7

["Open letter" from Monica Baltodano, a member of Nicaragua's Sandinist National Liberation Front National Directorate, to Luis Carrion, Dora Tellez, Mirna Cunningham, and Henry Ruiz, members of the FSLN National Directorate who were elected during the special congress in May 1994; place and date not given]

[FBIS Translated Text] Companeros: I have read the statement published in a paid ad in two different media in which you make accusations against the "majority of the leaders in the FSLN [Sandinist National Liberation Front] National Directorate" due to the decision made by the Sandinist Assembly to replace the director of the newspaper BARRICADA.

The insults and accusations contained in your statement ("interventionists, repressive, sectarians, narrow-mindedness, persecutors, slanderers, authoritarian"), which have been repeated by you as if in an echo chamber, where voices emerge from the right-hand corners of the room or in meetings with the untouchable prominent individuals of the self-styled Renewal [Renovacion] or in the small departmental meetings [sentence as published]. I have never heard you speak directly to the various bodies of the directorate to which you belong: the Sandinist Assembly and the National Directorate.

You cannot make accusations or insults looking into each other's eyes, because even though you belong to the Sandinist Assembly and the National Directorate, you do not attend their meetings.

You get a kick out of speaking ill about the FSLN and its leaders behind their backs and are flirting with the right by using the media, but you do not have the courage to clearly discuss your positions in the only place where it can have a positive effect or that can benefit our organization, within party bodies.

We held 17 meetings at the National Directorate up until last week, and Commander Ruiz attended only two of them, which were held in June. He has not attended any more meetings after that. Dora Maria Tellez and Luis Carrion have been absent in eight and nine meetings, respectively, and they have stopped attending the Sandinist Assembly meetings.

How Minorities Become Majorities

The topic of BARRICADA was supposed to be discussed at the National Directorate on 21 October; they knew the topic would be discussed at the Sandinist Assembly on 25 October, and they did not show up. If you thought the decision should not have been made, you should have attended the meetings and fought for your positions and held a debate with us. That is the only way for the minorities to become majorities in political parties, by stating your positions and trying to persuade the rest.

Differences of opinion have always existed within the FSLN. After the 1991 congress, more possibilities were opened up so that those with different opinions could try to change things. I remember, for example, the Sandinist Assembly from 1991 to 1993 made many decisions with which I did not agree, and I continued to fight in spite of that. It was due to that struggle that we were able to make substantial changes at the special congress. What was a minority in the different bodies of the directorate was turned into a majority by means of a struggle within the FSLN itself.

Minorities should also fight for their positions in other forums as well, an example of which is the Managua Municipal Council. The four Sandinists were the only opposition to Mayor Arnoldo Aleman at first, and there are at least eight of us there now. Had we not been firm in denouncing Aleman's abuses in the Municipal Council itself, we could not have persuaded the other council members who were members of the UNO [National Opposition Union].

What happens is that you do not even represent a current of thought; you do not act that way. You act as opponents of the FSLN, its organizations, and of the resolutions issued by its organizations. If you love your party

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and want to change things in the FSLN, why not meet with FSLN leaders instead of holding meetings outside the FSLN?

The attitude of Alejandro Martinez Cuenca and Clorinda Zelaya was much more respectable and courageous. They went to the Sandinist Assembly to state their opinions with great courage and determination. I want to tell you that many of their viewpoints were shared by those present. That is what it is all about, isn't it?

Why do you not speak of dialogue, a consensus? Why do you not hold a real debate? You do not attend the Sandinist Assembly meetings, yet you have time to hold meetings outside the party. I believe you are suffering from an ailment that you accuse us of having: You only meet with people who think like you.

You speak of narrow-mindedness and impositions, yet Dora Maria Tellez has imposed on the rest of the party a bulky constitutional reform document, which we were unable to discuss. You say BARRICADA is interventionist in the sovereign decision of the Sandinist Assembly to replace its director, a basic right of the owners of any media or of any organization.

That was precisely their right when in the special congress Henry Ruiz competed with Daniel Ortega for the position of secretary general of the party, the right to change. No one is glued to his position, just as you can replace the secretary general, you can replace the director of the FSLN newspaper.

To conclude, I want to tell you that you are adopting anti-Sandinist positions. I have never heard you make statements condemning Aleman or the government. You have not taken your pen or your money to publish a paid ad condemning the intervention of the IMF or to show your solidarity with the teachers and health workers.

That would be money well spent, to order a paid ad to defend the people's interests and not to vindicate the exclusive property rights of whites or the bourgeoisie, a position which is what you apparently defend.

Fraternally,
Monica Baltodano

Conflict in Conservative National Party Noted

Problems Explained

95CA0005A Managua EL SEMANARIO in Spanish 27 Sep 94-5 Oct 94 pp 11-12

[Article by Erick Aguirre]

[FBIS Translated Text] Two Sundays [11 September] ago, Radio Corporation and other radio stations of national conservative leaning reported with alarm the totally unspectacular news of a new "political maneuver" in the making.

According to the sources of these reports, members of the PNC's [Conservative National Party's] Executive Junta, this maneuver was designed to divide the party and transform it into another political arm of the potential presidential candidate and current minister of the presidency, Antonio Lacayo.

A meeting was called in the Olof Palme Center, where a second round of voting resulted in the election of the Managua PNC's departmental officials, whom the National Executive Junta has now refused to recognize.

The sounding of the alert and the call for a denial of recognition of that Sunday's meeting was read with due gravity by the well-known radio voice of Jose Castillo Osejo, a leader of the party and a precandidate for the presidency of the party.

"They want to divide the party and do with it what they did with the PSD [Democratic Social Party]," the communique states, in a crystal clear allusion to the political bloc that Lacayo has slowly been building around a core group of parliamentarians and a band of social democratic militants occupying high places in Mrs. Violeta Chamorro's government.

Many spoke of "generational" conflicts between the PNC's legendary militancy and its newest members. In truth, however, what is really involved is a complicated political conflict that threatens to create a new conservative "gremlin" that would add to the already endless list of emblems and groups stemming from the late Emiliano Chamorro's base of support.

Currently there are four conservative groups legally registered with the Board of Political Parties: Conservative People's Action [APC], headed by Miriam Arguello; Conservative National Action [ANC], whose leader is Dr. Hernaldo Zuniga; Conservative Party of Nicaragua [PCN], headed by Fernando Aguero; and the Conservative National Party [PNC], which is currently engaged in the internal conflicts that are our present subject.

Of these four parties, only Dr. Aguero's PCN is not represented in the National Assembly. Those that are represented have taken disparate political positions in accordance with the seesawing of parliamentary alliances, and attempts at division among themselves have already taken place.

In the PNC alone, in less than two months, there have been two declarations of presidential precandidacies, two unsuccessful Managua departmental election bids in Managua, alleged death threats, letters voicing charges and countercharges, suspensions, shakeups, threats of expulsion, sanctions, and votes of censure against the PNC's current president, Dr. Roger Mendieta Alfaro.

Arrival of the "Devil"

It all appears to have started with the arrival, from England, of the mythical "devil" Zelaya (Dr. Fernando Zelaya Rojas), who suddenly took possession of his seat

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in parliament, thus setting off a succession of speculation that ended with a sanction for contempt of the decision by the PNC Executive Junta to withdraw its deputies from the National Assembly's debate on the Military Code.

The "devil's" arrival stirred up rumors of an alleged political offensive by Antonio Lacayo to prevent the enactment of measures designed to inhibit close relatives of the president of the Republic from declaring as presidential precandidates, as part of the constitutional reforms bill currently being deliberated in the parliament.

Then, during the Managua Department's municipal elections, a fight erupted at the PNC's headquarters involving as principals Dr. Manuel Gutierrez Hurtado, member of the party's National Executive Junta, Adolfo Calero Portocarrero, its vice president, and Rina Cardenal Debayle, directer of the Jose Dolores Estrada Foundation and emergent leader of the "Conservative New Generation" movement.

Gutierrez was accused of attacking and threatening to kill Cardenal and Calero; and, like his supporter Zelaya, he was threatened with suspension. In his defense, he alleged that a group of youths, led by Cardenal, had attempted to boycott the elections, because she opposed the virtually certain election of Gutierrez as president of the Managua PNC, thus provoking the suspension of the election proceedings at that time.

According to Gutierrez, from the moment that Rina Cardenal arrived at the party headquarters from Miami, "the PNC lost its calm, its fraternity, its peacefulness." Days later, however, the party leadership, obviously leaning in favor of Cardenal, decided to remove Dr. Gutierrez from the committee that organized the party's internal elections.

But Gutierrez apparently did not run scared. With the backing of the party's national president, Dr. Roger Mendieta Alfaro, and of several members of the junta, he organized anew the Managua PNC elections, where new departmental party officials were elected: 70 conventionals, 7 representatives to the party's Superior Council, and himself as president of the Managua Executive Junta.

"This is all a maneuver, a plan to take over the party, as occurred with the Social Democratic Party," charged Jose Castillo Osejo, member of the National Executive Junta and currently a precandidate for its presidency. Castillo also accused Mendieta Alfaro of "lending his support to this maneuver."

Mendieta, for his part, argued that the calling of the Managua PNC elections had been "normal," within what he considered legal boundaries, and covered by the party's bylaws.

More than a hundred persons participated in it. Also present was Ramiro Gurdian, former president of COSEP [Higher Council of Private Enterprise), who is backed by the Mendieta faction as a potential candidate for the presidency of the party in the upcoming elections to be held during its national convention scheduled for the near future. Gurdian is also backed by that conservative faction as a precandidate for president of the Republic.

"Troublemaker Strategy"

Adolfo Calero declined to recognize the results of the Managua election and termed it a strategy of "troublemakers," who had chosen an opportune moment to "carry out the operation." He also accused Mendieta Alfaro of deliberately fomenting a split within the party.

Within the ranks of the PNC there is speculation that Calero aspires to the presidency of the party at its upcoming national convention, and that he further aspires to run against Jose Castillo Osejo for the party's endorsement as its candidate for president of the Republic, although he has not confirmed this directly.

Several executives and former officials of the PNC signed a resolution in which they disown the Olof Palme event, pointing out that Mendieta and Gutierrez were carrying out commitments contracted with the executive leadership, meaning Antonio Lacayo.

They subsequently resolved to endorse Mendieta Alfaro and institute proceedings to remove Manuel Gutierrez.

Julio Ruiz Quezada, political secretary of the PNC in Matagalpa, and Rina Cardenal, were both outspoken in affirming that it is all a plot contrived by the minister of the presidency to guarantee his presidential aspirations. Ruiz went so far as to assert that on previous occasions Lacayo, through Gutierrez' intermediation, had proposed to him that they deal a "political blow" to the then president of the party, Castillo Osejo.

Rina Cardenal, for her part, asserts categorically that persons "foreign to the party" are using several members of the PCN to "orient its bases toward a centrist coalition in which we already know who is playing the lead role." Some nevertheless cast doubt on these assertions. Mendieta Alfaro, for example, posits the need and urgency of a conservative candidate who will revive moral values and the incorporation of the human resource in the production process. "Nicaragua needs men who are tied to production, who do not exude hatred, and who provide a real hope.... In choosing a candidate, I have my own rational option: Ramiro Gurdian."

And it is certainly difficult to imagine a party conspiracy in which Antonio Lacayo and Ramiro Gurdian would be involved together, considering that until now they have been deemed strong mutual political detractors, although their mutual hostility has diminished somewhat in recent months.

Some mention the probability of signals from the Castillo and Calero sector relative to the executive

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leadership's quest for a centrist electoral coalition that could include the conservatives, Gurdian himself among them.

It is certain that emerging from this intricate conflict are three major PNC aspirants: Castillo Osejo, Calero Portocarrero, and Ramiro Gurdian. The upcoming PNC National Convention may well provide almost all the answers.

Party Head on Changes

95CA0005B Managua EL SEMANARIO in Spanish 27 Sep 94-5 Oct 94 pp 11-12

[Interview with PNC President Roger Mendieta Alfaro by Walter Lacayo Guerra; place and date not given]

[FBIS Translated Text] On 18 September the PNC's [Conservative National Party's] Managua Departmental Convention elected a new Departmental Executive Junta. Present at that session were the president of the PNC, lawyer Roger Mendieta Alfaro, and the former president of COSEP [Higher Council of Private Enterprise], Engineer Ramiro Gurdian. That was the last straw. A document terming that meeting and its results illegal has been signed by Adolfo Calero Portocarrero, who is also a candidate for president of the PNC, by Julio Ruiz, Alberto Chamorro, Denis Pena, Silviano Matamoros, Mario Rappaccioli, and Jaime Chamorro, among others, and by the members of the "Conservative New Generation" movement. In reality, it was a censure of Mendieta Alfaro, who openly supports Ramiro Gurdian's candidacy for president of the party.

Roger Mendieta Alfaro offers EL SEMANARIO's readers his views on the crisis currently besetting the PNC.

[Lacayo] What in reality is behind the crisis the Conservative National Party is currently experiencing?

[Mendieta] The problem is that, perhaps for the first time in many years, there are two factions. One is headed by Dr. Adolfo Calero Portocarrero and the other by Ramiro Gurdian. This gives rise to natural frictions at every election, regardless of its relative importance. With a national electoral process for 1996 ahead of us, in which this, the party's new National Executive Junta will have a say in decisions that will affect the life of the party and the country, there are pressures on events of this type, with sights set on those general elections.

[Lacayo] Until a short time ago, those two factions had not come into view. What has brought them to the surface and why?

[Mendieta] They have surfaced as a result of the convocation of those general elections for the reorganization of the party, ranging from the election of municipal officials, to the Departmental Convention, to the election of the National Executive Junta. The National Convention will consist of around 400 delegates and their alternates. These delegates choose the party's new president, secretary, etc., in short, the new Departmental Executive Junta. This National Convention is also the one that, in a special meeting that could take place within a year, will choose the party's candidate for president of the Republic. It is of major importance from the standpoint of control of the party and of assuming responsibility for the government, depending on the vitality of and the success achieved by the party and its candidates. I would say, therefore, that this accounts for some unusual occurrences, with accusations that have nothing to do with reality.

[Lacayo] It is important that you have mentioned that, because you are being accused of cozying up to the administration, and specifically to Antonio Lacayo, minister of the presidency.

[Mendieta] That does not worry me, because if there is anyone who is truly distant from the administration, as a matter of personal conviction, of freedom to make my own decisions, and of love of this country and this party, it is I. I am not driven by a desire for power, because that is not my style. I am above that, and I do things always with a sense of trustworthiness. I left the government with integrity, and when I served in the government I served with integrity. I had no reason to be rude to the president or to anyone. Again, that is not my style. And here, in the party, I continue looking after the party's interests, precisely in the wing of the party that I consider not to be pro-administration.

[Lacayo] Does a pro-administration wing actually exist in the party?

[Mendieta] I do not know if one exists. I say what I do because there are accusations in that regard, and I am convinced that ours is not the pro-administration wing. What there has been in the party, and I can give full and total assurances of it, is a transformation. There has been a shift within the party. It has ceased being an instrument in the service of a tiny, programmed minority, and has become a more dynamic institution in search of the majority of the people. To achieve staying power today, to be able to project itself, a party must be open to democratic attitudes, to participation by the ordinary citizen, by the man in the street, in the normal electoral process, in the government's decisionmaking process. This means involving a greater number of people. I believe that our viewpoint in this regard is not mistaken. We are going to continue along this road. We have the necessary courage to continue, and it seems to me that this is what is occurring in the party.

[Lacayo] You speak from a seemingly very proprietary viewpoint when you say that you are going to continue imparting thrust to the transformations you mention. Are you perhaps sure that the candidates you are backing will be elected at the National Convention?

[Mendieta] I do not know whether the candidates I am backing will win. What I am saying is that I am trying to

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transform this party. Not by basing it on orthodox and traditional factors, because that is not the party's reason for being; not by pitting one against the other, but by broadening our mentality. The orthodox, the traditional, the groups in power, should not be the only ones to have clear sailing in these memorable party proceedings. The people who cast their vote, who indeed are the majority in the conservative party, should also have clear sailing. I sincerely believe that around 97 percent of the Nicaraguan population is made up of people who are dedicated to agricultural work. Our economy is profoundly tied to our farm workers. And I believe that Nicaragua's future is inextricably tied to agriculture.

[Lacayo] Do you see this viewpoint embodied in the person of Ramiro Gurdian?

[Mendieta] I definitely believe that Ramiro Gurdian represents an answer to Nicaragua's problems. He is a highly capable and productive worker, a man of great humane generosity, with a deep sense of responsibility. He knows how to pitch his lexicological tone, and that is very important in politics, in the wake of what Nicaragua has been through in terms of polarization, war, deaths, poverty, and abandonment of our riches.

[Lacayo] Two years ago, when you were elected president of the PNC, the party's work was being managed along a unitary line. Why, as you complete your term, are two internal factions emerging?

[Mendieta] When I was handed the party, there was no other candidate who could compete with me. Elections at that time went smoothly, without problems. Now, they do not, because there are other candidates, who are factions within the party, but are not going to destroy it. On the contrary, they impart vitality to the party, and although the sounds of a few dissonant voices, and of voices conveying a touch of violence, have sometimes been heard leaking to the outside, by no stretch of thought should this be taken to imply that the party is being hurt by it. I believe that once the party's electoral activity has subsided, its internal differences will be satisfactorily resolved, because at least Ramiro Gurdian has already stated that he is prepared to accept the party president who is elected, and I believe that Dr. Adolfo Calero Portocarrero also feels that way.

[Lacayo] How do you rate your party administration policy?

[Mendieta] I would say that the party has been strengthened. It has evolved. It has been transformed and has asserted its presence at all levels of Nicaraguan political activity. We have been active in the UNO [United Nicaraguan Opposition], and we form part of the dialogues with the government, of the dialogues with the Sandinist Front. However, we have withdrawn from the talks about constitutional reforms, because we consider it necessary to draw up a new political constitution.

[Lacayo] But the convoking of a constituent assembly did not get very far....

[Mendieta] Nor have the reforms gotten very far....

[Lacayo] That is what I wanted to address. The constitutional reforms issue has now been introduced in parliament and is currently in the hearings stage. What is your party's position going to be with respect to that reality?

[Mendieta] Practically speaking, the attempt to reform the Constitution has collapsed, utterly failed. What will be done is to apply a few Band-Aids here and there that will not solve Nicaragua's problem, and the most important of those potential reforms will not be taken into account. Thus, the reform government will be the one that emerges from the 1996 elections.

[Lacayo] What is your party's position with respect to the issue of non-reelection of the president and to the inhibitions...?

[Mendieta] That is one of the issues that has stymied the reforms. Actually, we conservatives have consistently opposed any and all reelection processes. We find reelection undesirable. We even think that the presidential term itself is too long. Four or five years is enough for an administration to give what it can give.

[Lacayo] Last, what do you think of electoral alliances? Is an alliance possible between liberals and conservatives?

[Mendieta] I have always said that an alliance with the Liberal Party is a good thing, but not at this particular point. The first thing the parties have to do is organize themselves, define themselves, each project their own image, and then talk of alliance; because alliances are exclusionary. The first issue that must be addressed in trying to form an alliance is: Who is going to be the candidate for president of the Republic? And that marks the start of frictions. Next: the candidates for deputies, for ministers, and so on.... Two years before an election, this is not good. If an alliance is necessary, the ideal time to form it is five or six months before the election. To speak of alliances earlier than that is absurd.

Journalist Reviews Press Freedom

PA3110025494 Managua LA PRENSA in Spanish 28 Oct 94 p 12

[From the "Opinion" column: "Text of a report on freedom of the press by Jaime Chamorro, president of the Nicaraguan newspaper LA PRENSA, during the annual Inter-American Press Association meeting. This is the official version of the report as accepted by the Inter-American Press Association Press Committee."]

[FBIS Translated Text] Nicaraguan President Violeta de Chamorro signed the Chapultepec Declaration in the presence of a IAPA [Inter-American Press Association] delegation at the Government Building on 28 July.

Although there is ample freedom of the press, several problems can affect it.

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A proposal to create a college of Nicaraguan journalists was presented at the National Assembly on 21 June 1994, but it has not been debated yet by the assembly plenum and is not expected to be discussed this year, because the assembly agenda is full, particularly with a proposal to amend the Nicaraguan Constitution.

A proposal to amend Article 68 to include an obligatory reply or clarification was presented at the National Assembly on 9 September 1994. One paragraph of the article to be amended states: "Citizens have the right to access the media and to exercise the right to have a reply or clarification when their rights and guarantees are harmed."

The same amendment, nevertheless, proposes full tax exemption for imports of raw materials, as well as for the circulation and sale of books, pamphlets, magazines, school materials, newspapers, and other publications.

The Presidential Office has presented to the National Assembly a proposal for a Telecommunications and Postal Services Law, a proposal that has been reported by the Nicaraguan Chamber of Radio [CANIRA], saying its approval would threaten freedom of expression, because, among other things, it reserves the right to renew permits and to impose penalties that include fines, suspension, and confiscation. The proposal also includes the allocation of all frequencies.

The Telecommunications and Postal Services Department wants to amend the proposal to clearly specify that the proposal will not regulate commercial radio and television in anything other than the allocation of frequencies.

An internal disagreement in the National Liberation Sandinist Front [FSLN], owner of the newspaper BARRICADA, could harm the paper, which, under Carlos F. Chamorro's leadership, has been introducing professional changes since 1990 so the paper can cease being a propaganda instrument of the FSLN.

The Democratic Left, which dominates the assembly and is led by Daniel Ortega, former president of the Republic and FSLN secretary general, wants to remove Chamorro from the position of director, because BARRICADA is the only FSLN-owned medium not controlled by the Democratic Left. The Sandinist newspaper EL NUEVO DIARIO, which supports the Renovating Movement, is not owned by the FSLN.

The directorate of Radio Nicaragua, the government's official radio station, suspended on 27 September the "Informative Flash" newscast, hosted by Juan de la Cruz Rodriguez, although the conflict was settled with the mediation of the Association of Nicaraguan Journalists. The terms of the arrangement were not revealed, and the newscast was permitted to go onto the air a few days later.

There are two main implications in this incident: one, the swift manner in which the newscast was suspended; two, all of the Nicaraguan media have reported the alleged alliance, although not official, between the Presidency Minister and the PSD [Social Democratic Party].

Haroldo J. Montealegre, president of LA TRIBUNA, reports in a letter addressed to this commission that "LA TRIBUNA continues to be harmed by the discriminatory policy of the Nicaraguan Government. The paper was given only 13 percent of the entire publicity of the central government in August 199." The government has replied publicity is allocated according to the medium's circulation.

Regarding the LA TRIBUNA complaint, Luis Rivas Leiva, head of the Presidency Information Directorate, has said the public government is handled separately by each ministry "in a manner similar to how the private enterprise handles its own," giving more to the most widely circulated and heard media. In addition, Rivas Leiva has said, his office is not one of propaganda but, rather, one of "information and communications."

A dispute between the Managua mayor's office and newspapers over the interpretation of a presidential decree exempting papers from the sales tax was settled in favor of the newspapers through a public statement by the Finance Ministry. In this dispute, IAPA has supported the papers with a letter broadly circulated by the media. This act helped resolve the problem.

Melba Sanchez, a journalist and LA TRIBUNA correspondent, was attacked on 29 June by a patrol headed by Lieutenant Oscar Cruz and three policemen in Chinandega while Sanchez covered the occupation of the Agrarian Reform Institute office. Sanchez was injured on her arms, back, and neck, and her photographic equipment was destroyed.

The two chambers that represent the country's radio broadcasting media, ANIR [National Association of Radio Industrialists] and CANIRA, studied and discussed the telecommunications proposal on 9 October and proposed several amendments to the most important articles and a new article to protect the stations.

CANIRA Secretary Mariano Valle Peters has addressed a letter to CANIRA asking the IAPA to talk the Chamorro government into returning control of the 48 radio stations that were confiscated on 19 July 1979. The owners of these radio stations have filed claims with the Attorney General's Office.

Many of these stations are operating with new equipment, but their transmitters are missing or have been transferred to other stations, most of them Sandinists.

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Argentina

Governor Criticizes U.S. Wheat Subsidies

PY0111152194 Buenos Aires TELAM in Spanish 0059 GMT 1 Nov 94

[FBIS Translated Text] Bahia Blanca, 31 Oct (TELAM)—In the opinion of Buenos Aires Governor Eduardo Duhalde, the U.S. decision to subsidize wheat sales to countries that are Argentina's customers creates problems for our national government in outlining an agricultural policy.

Discussing the $140 million that U.S. producers will receive, Duhalde said: "This is a wrong decision, as that country is constantly struggling against subsidies for the goods that it produces."

Duhalde added: "Within this framework, the situation of the regional economies is not an easy one. Nevertheless, all of us, and not only the national government but the governors of all the provinces that have or had developed this area, must become involved in this issue."

Discussing his meetings with other provincial governors to review rural problems, the governor pointed out: "We are not making these efforts as lobbyists for the claims raised by the producers."

The Buenos Aires governor said that our mission "is to review how the provinces themselves can make an effort for this sector which, in being revitalized, will achieve extraordinary power."

Menem, Di Tella Offer Payment for Falklands Sovereignty

PY0111192294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2004 GMT 31 Oct 94

[FBIS Translated Excerpt] Buenos Aires, 30 Oct (NA)—President Carlos Menem conceded on 30 October that indemnification for the Kelpers is among the "different alternatives" being analyzed to recover the Malvinas Islands.

Foreign Minister Guido Di Tella said: "The figure would be quite substantial and could amount to hundreds of thousands of dollars." The funds to finance this indemnification would come from long-term credits negotiated under the guidance of Economy Minister Domingo Cavallo.

The head of state made it clear that for the time being the government's policy to recover the Malvinas Islands "has not been expressly recognized by the Foreign Ministry," adding that "we are discussing several alternatives."

He stressed: "We want to recover the Malvinas through our participation in all international forums, demanding the just return of the islands."

Menem predicted on a radio station that "the Malvinas will be in Argentine hands by 2000."

Regarding the possibility of indemnifying the Kelpers—a project that has unleashed a strong controversy over the past few hours—the chief of state recalled that the United States "bought Alaska from Russia."

He said: "It is just one avenue of negotiation that is being considered. We shall see, there is nothing definitive."

Meanwhile, Foreign Minister Guido Di Tella described "the return of the islands with their sovereignty" as "a dream," adding that it is "not a lost cause," that it could become a "believable dream."

Despite his open pessimism regarding an imminent recovery of the archipelago, Di Tella admitted the possibility of implementing Menem's project of indemnifying the islanders.

"First, we would give the Kelpers a special deal in which their way of life, their language, and the power to manage their affairs would be acknowledged," Di Tella explained.

He stressed that his ministry "is willing to consider payments," adding that "the topic is still in the air."

Asked if this payment would be around $1 million per inhabitant, Di Tella refused to answer, limiting himself to saying that "the figure would be very substantial; hundreds of thousands of dollars."

He revealed that Menem has ordered him to consult with Economy Minister Domingo Cavallo regarding long-term loans.

"The matter has been managed basically by the Foreign Ministry, but Cavallo knows about it," he said.

He said: "Congress will have to decide because it is almost certain there will be a referendum."

After acknowledging that the project to recover the Malvinas is "very heavy," the foreign minister stressed that the government "has fully acknowledged the country's desire" and that "we want to recover the islands."

In remarks to a radio station, Di Tella acknowledged that the United Kingdom knows of Argentina's intentions, although "for the time being there has been no answer." [passage omitted]

Di Tella Explains Payment Proposal

PY0111212494 Buenos Aires TELAM in Spanish 2356 GMT 31 Oct 94

[FBIS Translated Text] Buenos Aires, 31 Oct (TELAM)—Foreign Minister Guido Di Tella has explained that the proposal to indemnify the islanders within the framework of economic negotiations to recover sovereignty of the Malvinas Islands is a British initiative which, among other alternatives, the Foreign Ministry is studying.

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The foreign minister said: "The proposal to pay the islanders was tabled by Sir Alan Walters in April 1993. It was published in the Malvinas newspaper the PENGUIN NEWS in June 1993 before being published in Argentine newspapers."

Sir Alan is a well-known economist who currently lives in the United States. He was one of former Prime Minister Margaret Thatcher's principal advisers.

His proposal was published in LA NACION and BUENOS AIRES HERALD in September 1993.

The minister explained: "In view of Walters prestige, the Foreign Ministry began to study the proposal. I have said that Argentina could be willing to acknowledge this type of indemnity, although no concrete figure has ever been discussed."

Di Tella, who this afternoon broached this topic at his office on the 14th floor of the Foreign Ministry, said the proposal "implied [as received] purchasing sovereignty; it seeks to indemnify" a change of situation.

The minister recalled the cases of Louisiana and Alaska in which the United States came to economic agreements with France and Russia respectively.

Di Tella said: "Whenever there is a transfer of sovereignty, secondary topics crop up during the negotiations."

The minister reiterated that even if agreement on the paying of an indemnity is reached, "it does not mean the Kelpers must leave the islands."

Di Tella recalled that the new Constitution ratifies Argentina's sovereignty over the Malvinas, but at the same time "it guarantees the culture, language, and way of life of the islanders."

South Africa's De Klerk Meets With Menem

PY0111155994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2119 GMT 31 Oct 94

[FBIS Translated Excerpt] Buenos Aires, 31 Oct (NA)—President Carlos Menem received South African Vice President Frederik De Klerk at noon today. De Klerk praised Argentina's "economic growth" as well as "the excellent level" achieved in bilateral relations.

De Klerk, who has come to our country to participate in the Chief Executives Organization (CEO) Forum, carried a personal message of greeting for the Argentine president from South African President Nelson Mandela, who achieved the end of "apartheid."

De Klerk announced that his country would soon import Argentine beef. He also announced bilateral agreements in other areas, "such as mining, tourism, agriculture, and air transport."

The South African vice president made brief remarks after meeting President Carlos Menem at Government House at noon today.

De Klerk pointed out: "There are a great many bilateral agreements under negotiation with Argentina."

Concerning the situation prevailing in his country, De Klerk noted that "an agreement has been reached with Parliament on the implementation of an integral reconstruction and development program" the goal of which is "to improve the standard of living of all South Africans" after 50 years of disagreements and tribal feuds prompted by the policy of "apartheid."

De Klerk pointed out that this program "will be coordinated in such a way that it will not cause inflation." "It will not be designed to give things to the people, but to create job openings and improve education to help them resolve their problems," he said. [passage omitted]

Bolivia

Sanchez Returns 'Very Optimistic' From U.S. Trip

PY0111152794 La Paz Television Nacional Network in Spanish 0100 GMT 1 Nov 94

[FBIS Translated Text] Today President Gonzalo Sanchez de Lozada, who returned from the United States very optimistic, disclosed details of his trip to that country, where he spent four days in Houston and New York. Sanchez said that by no means has Bolivia lost hope of attracting foreign investors.

[Begin Sanchez recording] The investors look at the country, and not only at the sector in which they are interested. There is no doubt about the degree of interest in Bolivia. The fact that the main oil, airline, and energy companies in Houston approached me, the welcome I received, and the speech I made in New York shows that they view Bolivia as a modern, creative country, and that there is great interest, for example, in the oil field. [end recording]

The president of the Republic also referred to the traumatic relationship between Bolivia and the United States regarding drug trafficking.

[Begin Sanchez recording] As I have stated before, drug consumption is the key problem, because if there was no consumption there would be no production. But it is very difficult to reverse the situation, and those countries can bear the drug trafficking problem better than we can. We are much more vulnerable. We are therefore more interested in eradicating the problem, in implementing our policy, and want them to come up with a cooperative, determined, new attitude, obviously in search of solutions. We are obviously also interested in finding a solution to this problem, because we cannot continue to coexist with the drug trafficking problem

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without running serious risks of violence and inappropriate influences on our political and economic life. [end recording]

Returning to the capitalization issue, the president was asked whether some enterprises do not sell better than others.

[Begin Sanchez recording] It is the same as a father with six daughters. Some are cuter than others, but one always hopes that they will all get married. I do not think we will have any spinsters. [end recording]

In any case, the president of the Republic returned very optimistic from his visit to the United States. He added that it is now only a matter of waiting for the investors to arrive.

Finance Minister Denies Accord With IMF

PY0211024394 La Paz PRESENCIA in Spanish 25 Oct 94 p 9

[FBIS Translated Excerpt] According to a statement read yesterday by Finance and Economic Development Minister Fernando Cossio and Central Bank President Fernando Candia, Bolivia has "successfully" concluded negotiations undertaken with the IMF for the signing—at a yet undetermined date—of a Reinforced Structural Adjustment Program which has been extended to a three year period as of October 1994. Both Cossio and Candia attended negotiations held with IMF representatives.

Cossio asserted yesterday that through the "agreement" achieved yesterday, Bolivia becomes the first country in the region with access to this new IMF facility. Unlike other previous procedures, this new facility aims to support structural reforms for sustained growth processes while achieving social equality.

He added: "This agreement encompasses the express support of the international financial community for the reforms undertaken as of August 1993. In this regard, we have received further bolstering of our structural reform program."

The program takes into account the fiscal costs of the reforms, which foresees the concession of foreign financial resources and national resources. [passage omitted]

Cossio explained that the agreement with the IMF was obviously not signed, as was stated by some press reports in view of the joint communique issued on the weekend of 22-23 October by the Bolivian Finance Ministry and the Central Bank.

He confirmed, however, the EFE news agency report stating that Bolivia continued negotiating but this did not mean an agreement was signed.

Through the Finance Ministry spokesman, Cossio stated that no agreement was signed. We only concluded the negotiations, and now we are waiting for the IMF to finish the proper studies and issue its consent to sign the agreement.

Santa Cruz Journalist Target of Second Attack

PY0211114094 La Paz Television Nacional Network in Spanish 0100 GMT 2 Nov 94

[FBIS Translated Text] At approximately 2300 last night, journalist Luis Soruco Barba, the director of the Cristal radio and television station, was the target of a terrorist attack at his home.

[Begin Soruco recording] These incidents are very worrisome. They worry me especially because I am the head of the house where my family and I live. These concealed, cunning, and cowardly acts of violence, acts of terrorism, seem to be aimed at silencing the media, the journalists who permanently inform the people of what is happening. [end recording]

Police Chief Armando Moron said an investigation has begun and that the Santa Cruz media is being granted protection.

[Begin Moron recording] The police are in a state of alert around the clock to respond to any call from the media or any Santa Cruz inhabitant. [end recording]

Hugo Salvatierra, the Santa Cruz Journalists Union executive secretary, voiced support for journalist Soruco Barba and asked the authorities to clarify this attack.

[Begin Salvatierra recording] We are concerned over this incident. We want to continue our struggle, we continue to uphold the people and the freedom of press and expression, and we express our full solidarity for colleague Luis Soruco Barba. [end recording]

This is the second attack on Bolivian journalists in less than three days. Should things continue this way, all there is left is to pray to God for his divine protection to be able to fulfill our duties.

Government Admits Mistakes in Reorganization Plans

PY0111164794 La Paz LA RAZON in Spanish 24 Oct 94 p A7

[Article by Amparo Canedo G.]

[FBIS Translated Excerpt] Juan Carlos Duran, the second MNR [Nationalist Revolutionary Movement] deputy chief, has said that it is very likely that the Law of Ministries promulgated on 17 September 1993 will again be amended, in order to fully adapt it to the demands of the great reforms that the Sanchez de Lozada administration is planning to implement.

Duran told LA RAZON that "after approving the laws, we realized that even the Law of Ministries (which reorganizes the executive branch) must be amended. For

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example, the Popular Participation Law has raised many questions for the public administration."

Duran explained, however, that up to now this amendment has been unnecessary, because the government has implemented these adjustments through decree laws.

In view of the recent criticism made by political analysts such as Carlos Toranzo and Jorge Lazarte, who said the reorganization of the executive branch was implemented with much haste and improvisation, Duran admitted these defects. He explained, however, that after the MNR assumed the presidency, it was faced with the dilemma of reorganizing the public administration before implementing the reforms, or approving the latter to reform the state apparatus.

Political experts believe that the manner in which the reorganization was implemented is causing more problems, because it has created a bottleneck for the implementation of reforms. For example, among other things the jurisdictions of the various ministries has not been established.

"That is right," admitted Duran, and to give an example of the lack of coordination in the jurisdiction of ministries he referred to the Industry and Commerce National Secretariat, whose chief continues with the duties that are today assigned to the Foreign Ministry economic affairs secretary.

When he was reminded that last year he had said that the reorganization of the state apparatus would be in effect by January 1994 at the latest, Duran admitted that the estimate was wrong. He added that at any rate it would take until March 1995, "and it may even take the entire first trimester of 1995 to implement a complete change, put everything in place, and appoint the right officials."

Carlos Toranzo [not further identified] said that President Gonzalo Sanchez de Lozada had taken a great step backward when he announced the reorganization of the state apparatus, because at the beginning he had given the impression of being a modern man by surrounding himself with the best professionals to manage the state.

In this regard, Duran believes this has been another political mistake of the administration, as according to him it announced something it will not do. He said: "The government made a mistake because it announced something it has no plans of implementing, now or in the future."

The MNR deputy chief also said that during the previous Patriotic Accord administration, the ADN [Nationalist Democratic Action] and the MIR [Movement of the Revolutionary Left] silently took over 100 percent of public administration. He said, however, that the MNR did not do the same, because from the very start it had been primarily concerned with and involved in drafting and implementing laws.

He said: "In trying to change the administrative structure we found ourselves with so much anarchy in the reorganization process that we were unable to replace people. Seventy percent of the public administration was appointed by the previous administration."

Duran added that according to the government's organization charter, not even 25 percent of high-ranking government posts are filled by MNR members. He added: "There are some instances in which the number of MNR appointees to some ministries does not total 17 percent."

Several national areas, including the opposition, also criticize what Toranzo has termed "the lack of a political engineering structure on the part of the executive branch." In view of this, that administration "has found its hands full of problems."

How does it answer these charges? Duran says: "We have made many mistakes and have learned from them. Although the MNR is an old political party with vast experience, we have implemented so many changes that we are constantly finding ourselves in new situations, but we are learning from them."

To overcome the lack of a priority timetable, among other things, Sanchez de Lozada has resorted to two mechanisms: holding meetings with teams assigned to study different situations; and effectively implementing the intraparty sub-groups [interpartidaria de la coalicion] that "now meet up to three times a week." [passage omitted]

Guidelines of Development Plan Disclosed

PY0111222294 La Paz PRESENCIA in Spanish 28 Oct 94 p 7

[FBIS Translated Text] The government released yesterday the General Plan for Economic and Social Development entitled "The Change for All," which contains a strategic vision of what Bolivia should be domestically and internationally in future decades. The proposal was disclosed in a news conference by Sustainable Development Minister Jose Guillermo Justiniano, Communication Minister Ernesto Machicao, and National Secretary Alfonso Kreidler.

The proposal was submitted to Congress with a letter from President Gonzalo Sanchez de Lozada explaining that the plan "is an overall development strategy drawn up under the new concepts of sustainable development. The plan takes into account the Bolivian people and not the state or statistics as the basis for development. Its final objective is to radically improve the life of the Bolivian people within a framework of real democracy with social justice and solidarity."

The proposal does not include growth goals or deadlines. Minister Justiniano said the plan is a vision of what the government believes the country should be in the future. The plan hopes to make Bolivia a country that helps

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integrate the South American economic regions, and at the same time incorporate large productive zones into the national economy. In his message to Congress, President Sanchez de Lozada says that the population, especially the poor sectors, should have access to education, health, justice, and social security.

This is a medium- and long-range strategic plan "inspired by social liberalism which is based on three points: productive growth; social equity, including reduction of inequalities and the rational use of natural resources; and governability, including the improvement of decision making and the legitimacy of the state and the political system in the view of society."

The plan also incorporates the concept of participative planning by allowing the central government and the municipal governments to implement policies and to solve problems.

The guidelines of the General Plan for Economic and Social Development are: international participation, productive transformation, human development, and the preservation of natural resources and the environment.

The summary of the plan that was given to the media says that the productive transformation and diversification will help Bolivia to participate in international trade. The equal opportunity for the entire population and the enlargement of participative democracy are aimed at overcoming poverty.

MNR Leader Criticizes Lack of Government Policies

PY0211003794 La Paz PRESENCIA in Spanish 25 Oct 94 p 6

[FBIS Translated Text] Guillermo Bedregal, first deputy chief of the MNR [Nationalist Revolutionary Movement], stated yesterday that in the current administration of the state he finds an absence of a government policy that might be fully compatible with national demands and that might be endowed with a continuous dynamic action.

Making an evaluation of President Gonzalo Sanchez de Lozada's speech reporting on his year and a half in office, Bedregal told PRESENCIA that the government is not performing well when it expects the state to behave like a profitable company, without noticing that the government objective is social well being.

He added, "in a profound tone of self-criticism," that one of the great "omissions" of the government was that of letting the state "remain stagnant" in tasks of a political nature; this situation demands the mobilization of the active MNR members and of its allies.

He said: "As a citizen I have the same feeling of disappointment as anyone else, but I believe the government still has some time to repair its omissions. Otherwise, without information or sufficient action, and without a government policy, the state will become an empty eggshell, as would happen anywhere such problems exist."

He added that "the MNR must be the exemplary vanguard of government measures. Sectarianism and arrogance can lead the entire government plan to a failure."

Regarding Sanchez de Lozada's remarks that "Bolivia is becoming a country with critical poverty in one region, the western region, and a prosperous reality in another, the eastern zone," Bedregal said that it is a "simplified" view because poverty in the country has no geographical limitations.

"There is no borderline between the poverty in Santa Cruz, Pando, or El Beni, which are in the eastern zone, and the poverty of the high plateaus. The poverty of the Santa Cruz sugarcane growers in the rural area is something that cannot be concealed, nor can the fact that in the urban area there are extremely poor shantytowns be hidden," he said.

He also denied the figures released by the president concerning the national growth rate, which, according to Sanchez de Lozada, is 4.5 percent. "When it is said that we have a growth rate of 4.5 percent, the demographic growth is not taken into consideration, and for this reason the true economic growth is only 1 percent," he said.

He added that "the country's situation is extremely difficult," and the unemployment rate should not be concealed by stating that the people who do not work survive thanks to the informal economy.

He also questioned the MNR electoral proposal, which, according to the president, "is an apparatus that is behind everything the government is doing without anyone realizing it." He said in this regard that, more than electoral projects, what the people want is daily answers to their demands for employment and basic needs.

He concluded by saying that it is inconceivable for a president of the Republic to be the one to act and explain the measures instead of his ministers. "I think that is a call to attention by the president to his aides," he said, referring to Sanchez de Lozada, who repeatedly appeared on television to explain the changes he is carrying out.

Among the "omissions" of the government administration he cited the reorganization of the executive branch, which, in his judgment, has not succeeded "up to this point" in adequately adjusting itself to the changes that are being promoted.

The other omission committed by the government was that of not adequately providing information, at all levels, about the capitalization program and its importance both for the consolidation of the government program and as a response to the set of social problems.

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"Another subject that is still pending is the administrative decentralization, which is directly linked to regional development," he said. He added that the land and drug trafficking problems are other points for which strategies must be created.

Of Sanchez de Lozada's statement, Bedregal rescued mainly the proposal to turn the country into a link for South America. According to him, the transformation of Bolivia from a landlocked country to a transit country will be important because it will allow the physical linking of South America and will promote the creation of an infrastructure of waterways, railways, and highways between the Atlantic and Pacific oceans.

"We did not do much to meet the expectations generated on 6 August 1993. However, I very much appreciate the Popular Participation Law, which, on recognizing the original authorities and on breaking the urban-rural contradiction, has generated a revolution greater than that of 1952," he said.

Concerning the opposition's criticisms of the president, to the effect that he opened an electoral campaign instead of giving answers, the MNR leader said that because the opposition only does "that" and does not offer alternatives, Sanchez de Lozada's question is quite correct: "If we do not do it this way, then how?"

Bedregal said that although the opposite might seem true, the MNR is not a piecemeal solution seeker [partido busca-pegas], and that understood in this manner, the government must try to commit its party and its allies to the building of a policy that has not yet been designed.

"The party and its allies must be mobilized to make the changes come true, and these changes must be the greatest motivations. We have been called to action," he said.

Brazil

Rio Group Fears 'Narcotization' of Americas Summit

PY0111154894 Rio de Janeiro JORNAL DO BRASIL in Portuguese 29 Oct 94 p 15

[Article by Luiz Orlando Carneiro]

[FBIS Translated Text] Brasilia—Brazil and the other 13 member countries of the Rio Group, which are preparing through joint accord their position at the Americas Summit organized by U.S. President Bill Clinton for December in Miami, want to avoid the Cubanization and narcotization of the conference. These were the words used by a high-ranking Itamaraty official, who thus summarized the position that will be adopted by the Latin American countries. The Rio Group would prefer that the United States stress other subjects besides drug enforcement and hemispheric security.

Project

Such is the position of the Rio Group which, presided over by Brazil, will on 1 November present to the U.S. Government its project for a plan of action along with a document establishing follow-up mechanisms to put into effect whatever is approved by the Latin American presidents.

Last week the United States sent Alexander Watson, assistant secretary of state for inter-American affairs, with its proposal for a final joint declaration. In this proposal the United States insists on subjects like drug enforcement and hemispheric security, while subjects the Latin American countries want to stress do not have the same importance—that is, social-economic development and clear trade rules, based on the transformation of GATT into the World Trade Organization.

Brazil and the rest of the Rio Group countries (Argentina, Chile, Colombia, Bolivia, Ecuador, Mexico, Paraguay, Peru, Venezuela, Uruguay, Guatemala, and Trinidad & Tobago) will insist that they do not want favors, but concrete compromises by the United States for investment, financing, trade, and access to sophisticated technologies.

The U.S. negotiators insist a lot on the issue of modernization of the government apparatus, which the Latin Americans consider impossible without a decided promotion of economic development. As for drug enforcement, there are signals that the United States has evolved to the point of accepting discussion of the position of the Rio Group, according to which the problem pertains not only to "producers" but also to "consumers" like the United States.

Telebras, PRC Partners To Produce Public Telephones

PY0111212794 Sao Paulo FOLHA DE SAO PAULO in Portuguese 29 Oct 94 Section 1 p 5

[Article by Jaime Spitzcovsky]

[FBIS Translated Text] Beijing—Brazilian Telecommunications, Inc., Telebras, will produce in the PRC, together with Chinese partners, public telephones operated by electromagnetic cards. The agreement was signed yesterday in Beijing.

The joint venture is the main Telebras enterprise abroad. After three years of negotiations, the Brazilian company associated with a group of three Chinese companies, all of them linked to the government of Shanxi Province, where the telephones will be produced and installed.

The investment involves an investment of $10 million, equally divided between Brazil and the PRC. As a first step Telebras will supply 100 public telephones and 200,000 electromagnetic cards.

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Telebras will invest in technology, equipment, personnel training, and spare parts to be sent to the Shanxi factory, which will begin operating in two months.

With 30 million inhabitants, Shanxi Province offers a potential market for 500 public telephones.

Lula Outlines Political Plans for Next 4 Years

PY0211023694 Sao Paulo AGENCIA ESTADO in Portuguese 1924 GMT 1 Nov 94

[FBIS Translated Excerpt] Aracaju, 1 Nov (AE)—Luiz Inacio Lula da Silva, the defeated PT [Workers Party] presidential candidate, said today in Aracaju that if he cannot run for president in the elections in 1998, he hopes to be "a great electoral worker." Lula, who went to Aracaju to join the electoral campaign of PDT [Democratic Labor Party] candidate to the Sergipe governorship Jackson Barreto, will dedicate himself during the next four years to organizing the PT "so that the party may have more participation in Brazilian society." "Contrary to conventional politicians, who do not know what to do if not elected, I am not concerned at all about that, beacuse I do not engage in politics only because of the elections. I believe that organizing the oppressed sectors is the only way to let them attain power and improve their living standards," he said. [passage omitted]

Businessmen Plan To Adjust Environmental Standards

PY0111214094 Sao Paulo AGENCIA ESTADO in Portuguese 2057 GMT 30 Oct 94

[FBIS Translated Excerpt] Sao Paulo, 30 Oct (AE)—Brazilian industry will be shaken by a strong "environmental wave" in 1995. As of January, proposals for environmental rules will be discussed in various countries. The industrial sector must abide by these rules if they are to obtain the ISO [International Organization Standardization] 14,000 certificate, the environmental version of the ISO 9,000 certificate, which will be implemented as of January 1996. [passage omitted]

The few Brazilian businessmen who are aware of the scope and risks of the ISO 14,000 project will work with the Brazilian Association of Technical Standards [ABNT] to closely follow what happens in 1995 to the commission that will determine the criteria for granting the ISO 14,000 certificate. The Environmental Standards Support Group [Grupo de Apoio a Normatizacao Ambiental-GANA], which will pay the expenses of Brazilian representatives to meetings in several countries, comprises 45 enterprises. Frederico Marques Cabral, of the ABNT Certificates Department, said the group is preparing a 2-year schedule of activities at a cost of $450,000.

The GANA will try to recruit more businessmen in Brazil to assess the situation of Brazilian industry with regard to the ISO 14,000 certificates. The idea is to draft proposals based on Brazil's possibilities and difficulties and to avoid the establishment of blocs by other countries that may impose unattainable or protectionist standards. The ABNT representative stated: "We must avoid favoritism and ensure that future standards are feasible for developing countries."

Brazilian industrialists and businessmen are being attracted by alerting them to the imminent changes and offering an opportunity for debate. [passage omitted]

The Europeans have been won over by the marketing appeal of ecological industrial production which will prevail over protests by Brazilian producers. These competition rules will automatically lead to their acceptance. Enrico Dorigo, director of the Fiat Auto Energy and Ecological Process, said: "All that is necessary is for one company to obtain an ISO 14,000 certificate and the others will feel obliged to obtain one." GANA and ABNT fear this competition will bankrupt those companies that cannot keep up with the green wave requirements.

Paper, Steel Industries Reach Maximum Capacity

PY0111213394 Rio de Janeiro JORNAL DO BRASIL in Portuguese 26 Oct 94 Business and Finance Section p 1

[FBIS Translated Text] Sao Paulo—The paper and steel industries, pressured by the Real Plan on the domestic market and by increasing demand on the international market, have reached their maximum production capacity and are now in a checkmate position. Whatever industry invests in increasing its production capability will arrive first, and gain a larger market share in a growing economy. This was established by a situation study for foreign investors carried out by the companies Arthur Andersen and AFI (Finance and Investments Associates).

According to Flavio Nolasco, chief economist of Brasilpar Consultants, the fact that industries are working at full capacity carries one risk for the management of the Real Plan: a price hike in the future. The Brazilian economy is currently working at an average of 80 percent of production capacity. If the current rate of increase in production is maintained, total production capacity is estimated to be reached between the second and third quarter of 1995. Without the capability to manufacture an additional screw, shortages and price increases are expected, according to the Brasilpar diagnosis.

The Arthur Andersen study shows the paper and steel industries as those best positioned in the Brazilian economic expansion. In order to have an idea of what is happening in the metal industry, the domestic demand for laminated, flat, non-coated steel (a steel by-product that serves as a raw material for the metalworks industry) increased from 460,000 tonnes in September to 600,000 tonnes in October.

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The Sao Paulo Iron and Steel Company (Cosipa) is already working at full capacity, that is, it is producing 3.9 million tonnes of liquid steel per year. With the same installed capacity for the past 10 years, the maximum Cosipa ever produced was 3.4 million tonnes. Cosipa currently exports 37 percent of its production, and according to its advisers this level will be maintained until January, when its international contracts end and the company will sell a larger portion of its production to the domestic market, where demand has increased by 30 percent since the implementation of the Real Plan.

Paper Industry

The situation is more critical in the paper industry. According to paper businessmen, cellulose manufacturers who are currently charging $580 per tonne, have already agreed to implement quarterly increases of $40 as of January next year, in order to raise the price to $700 per tonne by December 1995. This plan will probably not be met, because the international price quote is $680 per tonne.

Osmar Zogbi, president of Ripasa and of the Paper Industries Association, denies that the paper companies are increasing their prices, and asserts that prices will not change until December. A consumer, however, has paid 5 percent above the cash price for November, and the financial costs increased from 1.87 percent to 4.66 percent for payment in 28 days. Although Zogbi denied it, he admitted that the paper industry will increase its prices next year as a consequence of the lack of new investments and increase in demand.

Cesar Penna, director of the Melhoramentos Company, whose production has increased by 15 percent since the implementation of the Real Plan, said he has trouble receiving paper. "We are seeing the appearance of new consumers in the market for lower quality paper, like cheaper toilet paper, which has increased by 10 percent," Penna said.

Antinarcotics Chief Appointed for Rio de Janeiro

PY0211001194 Sao Paulo AGENCIA ESTADO in Portuguese 1736 GMT 1 Nov 94

[FBIS Translated Text] Brasilia, 1 Nov (AE)—Brigade General Roberto Jucurtha Camara Senna, artillery commander of the 1st Army Division of Rio de Janeiro, will command the fight against drug trafficking in the state. The Armed Forces, the Federal Police, the Federal Highway Police, and the state civil and military police will be under his command.

Nuclear Workers Strike for Better Pay, Safety

PY0111153894 Sao Paulo AGENCIA ESTADO in Portuguese 1901 GMT 31 Oct 94

[FBIS Translated Excerpt] Rio de Janeiro, 31 Oct (AE)—During a meeting held today, 85 percent of the 750 employees of Nuclebras [Brazilian Nuclear Corporations, Inc.] Heavy Equipment, Inc. (Nuclep), in Itaguai, decided to maintain the strike started 12 days ago. Edson Jose de Souza, director of the Nuclep Employees Association, disclosed that they have also stopped production of spare parts and equipment ordered by the Argentine enterprise Impsa [Pescarmona Metallurgic Industries, Inc.] for a hydroelectric plant in that country. According to Edson Jose de Souza, the employees want a 99 percent salary adjustment this month—the collective agreement renewal date for metalworkers—while the company is offering 13 percent. The strikers are also demanding hazardous duty pay. [passage omitted]

Ecuador

Government Confirms Health Minister's Resignation

PA0211042194 Quito Voz de los Andes in Spanish 1200 GMT 1 Nov 94

[From the "The Voz Andes Newscast"]

[FBIS Translated Text] The government has confirmed that Public Health Minister Patricio Abad has resigned. He resigned to avoid his political trial in Congress. The health minister resigned on Sunday, but the president will accept his resignation and appoint a new minister when he returns from the United States.

Inter-Andean Telecommunications Network Planned

95SM0017A Quito EL COMERCIO in Spanish 27 Sep 94 p C4

[Article: "Digitization Approaching Full Blast"]

[FBIS Translated Excerpt] [Passage omitted] Digitization is the technology that converts speech, images, and data into signals that can be transmitted at high speeds and over long distances. In Latin America, analog microwave systems are being replaced by digitized systems.

Contrary to what might seem to be the case, our national telecommunications infrastructure features state-of-the-art technology. Ecuador's national network is fully digitized along its trunking routes and to its principal cities, namely, Quito, Guayaquil, and Cuenca.

The same is true of each of the five Andean Pact countries.

What is lacking is digitization of the terrestrial satellite connection and the creation of a submarine cable system linking the borders of these countries. The "Digital Andean Corridor" plan approved by the Board of Directors of ASETA [Association of Andean State Telecommunications Enterprises] in June 1993 is designed to fill this void.

The plan provides for the digital terrestrial interconnection linking Venezuela, Colombia, and Ecuador to be

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operational by December of this year, and for that linking Ecuador, Peru, and Bolivia to be operational in 1996.

The submarine system interconnecting Colombia, Ecuador, and Peru via fiber-optic cables—these have the thickness of a human hair and the advantage of not absorbing moisture in wet surroundings as do copper cables—is to be in place by 1997, while digitization of the subregion's satellite links is to be completed by 1996.

The terrestrial network that interconnects the cities of the Andean Pact will have a traffic-handling capacity of 134 mbps [megabits per second]. The satellite network will have a capacity of 2 mbps, and the submarine network 622 mbps.

Since telecommunications traffic is more intensive at the borders between the Andean area's neighboring countries, the terrestrial network will be the one receiving the most extensive use.

The submarine cable network will be used mainly for international connections, and the satellite network will principally supplement the first two—hence the differences in mbps among the three networks.

The traffic handling capacity of a telecommunications network is similar to that of an automobile highway. The wider the highway, the greater is the number of circulating vehicles it can accommodate at the same time.

The same is true of a telecommunications highway: The greater its traffic-handling capacity, the greater will be the number of communications lines that it can carry.

It is estimated that by the year 2000 the Andean subregion will have 15 million telephone lines. Today there are 7 million. This means that by the year 2000 the number of lines will be doubled and the average telephone density will grow from 7.5 to 18.3 telephones per 100 inhabitants.

Investments

The investment required of the Andean Group to carry out this plan, according to ASETA's studies, will exceed $8 billion over the next six years.

Investment is needed to modernize the services and deliver them in a timely and technically viable manner.

Each country will be required to pay an amount commensurate with the type and quantity of technological facilities needing to be installed.

To be interconnected, these facilities will all have to speak the same technical language. For the implementation of this plan, the technical signaling standards recommended by the International Telephone and Telegraph Consultative Committee Number Seven (CCITT No. Seven) have been adopted.

This CCITT recommendation enables the digital interconnection of the new services by means of conventional codes and signals. These have been adopted by the five Andean countries involved in this process.

New Services

Ecuador's participation in the Andean Telecommunications Corridor plan will make services available to its subscribers in 1997 that are not provided at present among the countries of the area.

The leasing of dedicated high-speed circuits (64 kbps [kilobits per second] and up), videoconferencing, direct intercountry service [collect calls], and regional 800 numbers are the principal services that will become available.

The new services will speed up communications and business transactions. [passage omitted]

Peru

Fujimori Continues Lead in Polls; Toledo Gains Ground

PY0111213694

[FBIS Editorial Report] Madrid EFE in Spanish at 1602 GMT on 29 October carries a 500-word report on a poll carried out by Apoyo S.A. on the popularity of the Peruvian presidential candidates for the upcoming 9 April 1995 general elections.

According to Apoyo S.A., President Alberto Fujimori, who is seeking reelection, has a preference rating of 44 percent among Lima voters and Javier Perez de Cuellar is second, also in Lima, with 23 percent. Of the country's 12 million voters, Lima accounts for 33 percent. The report also indicates that Alejandro Toledo [Democratic Coordinating Movement] is third, with a voter preference rating of 7 percent, leaving the candidates of the most traditional Peruvian political parties behind. Former Education Minister Mercedes Cabanillas of the American Popular Revolutionary Alliance (APRA) has 4 percent, while Lima Mayor Ricardo Belmont has 3 percent. Raul Diez Canseco of Popular Action has 3 percent, Lourdes Flores of the Popular Christian Party also has 3 percent, and former Lima Mayor Alfonso Barrantes of the United Left only has 2 percent. If these figures are compared with the figures released by Apoyo S.A. last September, Fujimori lost 5 percent and Perez de Cuellar 4 percent. Some analysts believe this loss was caused by Toledo, who is gaining ground after Susana Higuchi was eliminated from the race.

Toledo, who comes from a very poor family, was a peasant, shoeshine boy, brick layer, and professor at prestigious Stanford University in the United States. His government platform is being drawn up by experts who follow President Fujimori's current program but propose adjustments in the exchange rate, the reduction of interest rates, and an increase in salaries. The economic publication GESTION said that "Toledo has begun to worry more than one competitor, and the support he is

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receiving is growing so fast that it makes people remember what happened with Fujimori in 1990."

GESTION also said that "if Toledo continues this trend and shows his team can be trusted, he will take a big step ahead in the race. He will go from eroding the opposition's electorate to eroding the government's electorate. His movement can become one of the new political forces before the end of this century."

State of Emergency Extended in Apurimac Department

PY0111235794 Lima Radio Programas del Peru Network in Spanish 1800 GMT 1 Nov 94

[FBIS Translated Text] The state of emergency has been extended for another 60 days—until 1 January—in the provinces of Chincheros, Andahuaylas, Abancay and Aymaraes in Apurimac Department. In view of this, the Armed Forces have assumed full control of the four provinces in Apurimac Department. They are entrusted with conducting the antiterrorist struggle.

The executive branch has issued the corresponding decree in response to a request submitted by the Armed Forces Joint Command. The supreme decree is published in the official newspaper. It states that individual rights regarding the inviolability of homes, the right to hold peaceful meetings without guns, and the right to be arrested without a court order have been suspended.

Strong Growth in Construction, Fisheries Reported

95SM0030A Lima CARETAS in Spanish 22 Sep 94 pp 32-33

[Unattributed Article: "Galloping GDP"; first paragraph is editorial introduction]

[FBIS Translated Text] An ECLA report has taken the pulse of the Peruvian economy. Production is growing at a rate of 12 percent, but the employment level has not improved.

Commenting on an analysis by the Economic Commission for Latin America (ECLA) of the behavior of the Peruvian and Latin American economies during the first half of 1994 an economic analyst said: "The recovery has the color of cement, the consistency of bricks, and the smell of fish."

And if you look only at Miraflores Palace, you might agree with this encouraging view of things. The best hotels are fully occupied; first class restaurants are practically full; and airplanes coming in from Miami and Santiago are bringing large numbers of tourists. Some people believe this reflects a "boom" in the Peruvian economy. However, it does not cover the whole social picture.

In Vitarte, east of Lima, as dawn breaks, a long line of trucks waits to load bricks which have just come out of the kiln. With a load of 2,000 bricks the drivers can be sure of selling their wares like hotcakes on the main roads leading out of the city.

Residents of Lima are beginning to discover there are almost no experienced bricklayers available. Factories producing cement and other construction materials are working at the top of their installed capacity.

Construction activity has grown by more than 30 percent and, together with fisheries activity, has made it possible for Gross Domestic Product to grow at a record rate of 12 percent.

In the case of the construction industry, the increased output has largely been due to government expenditures and the massive employment of resources from FONAVI (National Housing Fund). Furthermore, the stabilization of the currency has made it possible to try new kinds of financing, such as mortgage letters. In the very near future home "leasing" (rent for sale) will be tried out.

The process of privatization has also helped to attract investors from various countries: Mexico (Aeroperu) [Peruvian State Airlines]; China (Hierroperu) [Peruvian Iron Mines Enterprise]; Canada (Minero Peru) [Peruvian State Mining Enterprise]; Chile (Transoceanica Company), Electrolima [Lima Electric Power Enterprise], SolGas [Lima Gas Company]); Spain (Compania Peruana de Telefonos and Entel Peru) [Peruvian Telephone Company and National Telecommunications Enterprise of Peru], South Africa (Quellaveco), and the United States (Cerro Verde) [Green Ridge Company].

Customs exemption certificates are beginning to be seen widely in Lima as they were in Santiago de Chile some 10 years ago. Kentucky Fried Chicken and Pizza Hut outlets which were set up a decade ago in Lima have been joined by Burger King hamburgers and Tony Roma's ribs. The J.C. Penney retail chain has announced it is opening a store. Customs exemption certificates are not approved easily, not even to the highest bidder. As AMERICA ECONOMIA points out in its most recent issue, there is a well beaten path for investors, which includes psychological and technical examinations, visits to lawyers, and an endless amount of paper work.

Juan Antonio Aguirre Roca, former president of the National Confederation of Private Business (CONFIEP), has stated he is beginning to see a certain amount of enthusiasm among private companies, with businessmen at least having new development plans on hand.

It appears that no major changes are being made in investment plans, apart from a few, last minute adjustments, despite the forthcoming elections of 1995, in large part because the candidates with the best prospects support the general direction of the present economic program.

In its recent, preliminary report on nine countries in the area the Economic Commission for Latin America and the Caribbean (ECLA) states that, although the average

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growth in Gross Domestic Product in these countries is slightly more than 3.0 percent, the Peruvian growth rate is three times larger than that.

In addition to the construction industry another of the areas which has grown quickly is the fishing sector (30 percent). So far in 1994 fish landings have exceeded 1.0 million tons monthly.

According to ECLA, this growth is due to the presence of very large shoals of fish along the coast (a seasonal factor). Another favorable effect has been the modernization of the fishing fleet and of fish processing plants, with investments from Norway, Venezuela, Denmark, and Chile. Nevertheless, a report prepared by the Monitor Company, a consultant under contract with the Peruvian Government to analyze export competitiveness, points out that fish exports principally consist of fish flour (which makes up 95 percent of this category).

In passing, this record of the fishing industry has led the growth of the manufacturing sector (15 percent). The fish flour and oil industry grew by an eloquent 38.7 percent between January and July 1994. Another area of industrial activity which has grown has been the nonmetallic minerals mining sector (20 percent). All of this helped to ensure that since April 1994 levels of industrial employment have begun to recover, according to Ricardo Marquez, president of the National Industries Association (SNI). The Cinderella of the industrial sector is the paper, printing, and publishing group, whose output has declined by 1.8 percent.

According to ECLA, "Nevertheless, the vigorous recovery of Gross Domestic Product was not accompanied by a similar performance in full time employment, and only the services sector showed a significant increase (4.0 percent) in employment."

Excellent weather conditions (adequate rainfall) made substantial harvests possible, particularly of rice, potatoes, and cotton.

Trade had a record similar to that of the industrial and the agricultural sectors (an increase of 15 percent).

Clearly, the signs of this economic recovery were principally visible in the medium and upper income classes in Lima. The Centro Comercial de Chacarilla [Chacarilla Shopping Center] is bustling with activity. In the La Molina area the opening of the La Fontana Shopping Center will very soon be followed by the inauguration of the La Rotonda Shopping Center. People immediately think that they see in these developments Chilean style growth, as improvements in the economy in that country also were accompanied by sharp contrasts.

For example, in Santiago de Chile, modern development extended toward the mountains located to the East of the city. In Lima new shopping centers are also being opened up east of Lima. However, the "misery belt" is growing worse, day by day. Therefore, the solution to unemployment and the abolition of poverty have become the principal subjects on the electoral agenda.

In the mining sector planned investment amounts to nearly $7.0 billion. Roque Benavides Ganoza, president of the National Mining Association (SNM), states that the presence in Peru of large, international companies is a very favorable indication.

Uruguay

Presidential Candidate Batlle Explains Position

PY0211111194 Montevideo EL PAIS in Spanish 22 Oct 94 p 10

[Report on interview with Jorge Batlle, one of three Colorado Party presidential candidates, during Teledoce Televisora Color's program "Live and Direct," conducted by Neber Araujo; date not given]

[FBIS Translated Excerpt] Jorge Batlle reiterated his repeated criticism of the government public spending policy, recalling that his faction supported the 1990 fiscal adjustment program designed to solve a grave situation provoked by two factors: The constitutional amendment on the pension system and "an inherited fiscal deficit."

According to Batlle, the government said the adjustment had the purpose of reducing public spending by 15 percent and the inflation rate to a single digit. Batlle added that, after the adjustment, inflation climbed to 129 percent, in annual terms, due to the Central Bank policy of issuing money and the agreement to adjust public salaries. "In our opinion, on that occasion we lost the opportunity of implementing a plan similar to the one implemented by Minister Domingo Cavallo [in Argentina]."

Referring to the current situation, Batlle said there is a growing fiscal deficit, adding that the economy under secretary admitted the deficit was caused by increased investments in UTE [General Administration of State Electric Power and Telephones] and the Transport Ministry.

"That is not an excuse," Batlle said, adding that "Juan Carlos Raffo and Alberto Volonte were part of the government" and they authorized the spending.

Batlle said the executive branch reduced public investments by $75 million, but contracted debts for $70 million "by issuing promissory notes in the amount of $14,000 so that people could go out looking for a home." Batlle said the policy "more closely resembles an electoral initiative than a social policy."

Batlle said he does not share the proposal made by Sanguinetti's Batllist Forum to resolve the foreign exchange problem with a devaluation because "no one profits with a devaluation."

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Eliminate Taxes on Work

Asked about Alberto Volonte's proposal to organize a meeting of all interested parties immediately after the election to discuss social security reform, Batlle said the proposal was "unfeasible."

The presidential candidate said any alternative to the current social security structure would require large amounts of capital to face the transition.

"We tried that path," Batlle said, "but we saw that the country does not want to go through it."

Batlle said Uruguay must take advantage of favorable circumstances created by Mercosur [Common Market of the South] to implement two measures: First, order all revenues "deposited in a single chest" in order to ensure the payment of pensions, and second, "eliminate the tax on work," referring to the 14.5 percent company contribution to the BPS [Social Security Bank].

Batlle said industry and agriculture pay $80 million a year on that item and the added cost puts them out of the market. They also pay $55 million to the unemployment insurance system. Batlle concluded that industrial growth will provide the resources to "gradually" implement a pension system during a transition period.

Batlle said the most urgent problems the next government will have to face will be "growing industrial unemployment, fiscal instability, and the treasury collection dependence regarding imports."

The presidential candidate predicted that the new government will inherit a deficit of 2-2.5 percent of the gross domestic product, if we include the debts contracted by the government to hand down the promissory notes on housing and other payments that are being delayed. Batlle said that entering Mercosur without being ready to compete will cause an increase in the unemployment rate and the deficit, adding that industrial recovery is thus urgent.

The Most Voted Ticket

Questions then centered on the Colorado Party "internal election" and the differences and similarities between his program and the Batllist Forum program.

Batlle said: "Among Colorado Party tickets, senators List 15 will receive the most votes, whatever the result of the election," in a clear reference to the Julio Sanguinetti-Hugo Batalla agreement.

Batlle said the Forum has "on occasion been closer to the Broad Front," and gave as an example the Public Companies Law. Batlle added that on other occasions the Forum has voted with the ruling Herrerist faction, such as in the case of pension regulations that the plebiscite will try to change. "We will continue to vote for items in our proposal," Batlle said. [passage omitted]

The Path of What Is Possible

Asked if he has adopted a more moderate political stance on issues, Batlle acknowledged that "I made a very serious mistake" in the past, and I have noticed "that the population is not willing to approve" what he called "global reforms."

Batlle said today he seeks "possible paths" to implement changes, adding that "these paths are not gradual, they are based on trustworthiness." [passage omitted]

Vazquez To Resort to Plebiscites To Govern

PY0111215194 Montevideo EL OBSERVADOR ECONOMICO in Spanish 22 Oct 94 p 3

[Article by special EL OBSERVADOR ECONOMICO correspondent Pedro Larrosa in Canelones]

[FBIS Translated Text] Progressive Encounter (EP) presidential candidate Tabare Vazquez asserted on the evening of 21 October that if he is elected president but fails to achieve the necessary political agreements to get Congress to enact his administration's bills, he will resort to plebiscites so that "the people may voice their opinion" and exert the "right to direct democracy."

Moreover, and for the first time in this election campaign, he lashed out at Blanco Party presidential candidate Alberto Volonte, with whom—as he asserted over the last few days—he will contest the presidency. This was a turnabout in Vazquez's strategy since last weekend, when he made a vitriolic attack against Colorado Party candidate Julio Maria Sanguinetti, in an attempt to show that Sanguinetti has been left out of the presidential race.

During an EP rally in the City of Canelones, in which he was the keynote speaker, Vazquez said: "We have the support of the people with whom we are going to govern. If we do not achieve a political agreement, we will hold plebiscites on our proposed bills so that the people can voice their opinion and govern—as is their absolute right—through their right to a direct democracy and to express themselves without constraint."

"If, in our capacity as rulers, we cannot muster the (necessary) political majority to pass the laws the people want and if we do our utmost—but fail in the process—to achieve political agreements that allow the implementation of state policies, we will resort to a sovereign recourse, a fundamental recourse, a recourse which is many a time overlooked by political parties because they are afraid of it—the plebiscite," he argued. Some days ago Socialist Senator Jose Korzeniak made a similar proposal.

"We want to consult the people. Do you know why? Because we are only modest servants of you all," said the EP presidential candidate to applause. He insisted that the EP is the only political force that has a single program, which he labeled as "credible and feasible." "What about the other political parties?" he wondered.

He asked: "Is the program of Dr. Julio Maria Sanguinetti the same as the program of Dr. Jorge Batlle? [who will run on the Batlleist Alliance's ticket—another Colorado Party faction] No, it is not the same, and they have admitted it.

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Dr. Batlle said his program and political ideas are much closer to the Herreraist Faction [of the Blanco Party] than to the other Colorado Party factions."

Vazquez recalled that Volonte's program, which was recently announced, states that if elected president, he will support "private companies that are sustainable." He said: "What does this mean? That he will support profit-making, efficient, and successful private companies. This is the new language of neo-liberalism."

He said: "He will only support those companies and leave out those small- and medium-sized companies that are in the throes of retooling."

Venezuela

Colombian 'Guerrillas' Reportedly Attack Venezuelan Patrol

PA0211014894 Caracas Union Radio Network in Spanish 2200 GMT 1 Nov 94

[Report by Cecilia Pachano; from the "Union Radio News" newscast]

[FBIS Translated Excerpt] We have a report just in of an attack today by alleged Colombian guerrillas against a Venezuelan military post inside Venezuelan territory in Apure State. [passage omitted]

According to the Defense Ministry, the attack took place sometime between 1030 hours and 1100 hours, when a group of about 20 or 30 men ambushed three army vehicles near La Charca, on the outskirts of the town of La Victoria, about 5 km from (Nula), Apure State. The attackers, believed to be Colombian guerrillas, used explosives against the Venezuelan troops, who belong to the Army Hunter Brigade stationed at Fort Yaruro. Privates Reinaldo Jose Isasi and Eloy Quijada were killed. Non-Commissioned Officer Julio Cesar Hernandez, Privates First Class Arnaldo Jose Buitrago and Victor Luis Silvera, and Privates Manuel Jose Coronado and Luis Carlos Cordero were injured. One guerrilla died, and one was wounded. All the wounded were transferred to San Cristobal for medical attention. Troops from the Hunter Brigade are currently carrying out search operations to try to locate the other guerrillas who managed to escape.

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